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***RETHINKING THE NORMATIVE
CONTENT OF CRITICAL THEORY:
MARX, HABERMAS AND BEYOND***

by

Robert Cannon

A dissertation in partial fulfilment of the
requirements of Middlesex University
for the degree of Doctor of Philosophy

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	<u>Table of Contents</u>	<u>Page</u>
Abstract		1
Introduction		2
PART I		
Chapter 1	From Self-Constitution to Self-Objectification	14
	The Critique of Pure Reason	14
	The Critique of (Pure) Practical Reason	17
	Overcoming Kantian Antinomies	19
	The Philosophy of Right	22
	Self-Objectifying Labour	25
	Marx's Critique of Hegel's Idealism	31
	Social Epistemology	34
Chapter 2	Marx's Historical Critique of Political Economy and his Transhistorical Critique of Capitalism	38
	The Labour Process	42
	The Structure of the Commodity	44
	The Fetish-Character of Commodities and Their Secret	48
	Transhistorical Comparisons	49
	Does Abstract Labour Work?	51
	Objectification and Alienation	56
Chapter 3	The Capitalization of Sociality	60
	Section One: The Sociality of Labour	61
	From the Formal to the Real Subsumption of Labour	63
	The Source of Value	65
	Section two: The Sociality of Use-Values	69
	From Material to Social Use-Values	72
	The Sociality of Exchange	74
	Reification	78
Chapter 4	Marx, Morality and Exploitation	83
	Natural Versus Social Property Rights	84
	Exploitation and Exchange	90
	Capitalism and Justice	93
	Alienated Self-Constitution	96
	Towards a Normative Theory of Ownership	103

PART II

Chapter 5	Communicative Reason	108
	From Marx to Lukacs	109
	From Lukacs to Habermas	115
	The Uncoupling of System and Lifeworld	118
	The Emergence of Communicative Reason	121
	‘Mediation’ Versus ‘Colonization’	125
	The Internal ‘Colonization’ of Communicative Reason	129
Chapter 6	Re-normalizing the System	134
	A Redemptive Critique of Marx?	134
	Diremptions and Exclusions	139
	System and Lifeworld Interdependencies	145
	The Limits of Discourse Ethics	149
Chapter 7	Struggles for Moral Redemption	157
	Struggles for Recognition	160
	Three Steps to Heaven?	163
	Money, Markets and Morality	169
	Beyond Hegel?	174
Chapter 8	Social Welfare and Class Struggle	178
	Validating and Invalidating the System	183
	Struggles for Welfare	187
	The Re-Normalizing of Value	192
	Redistribution Versus Self-Constitution	197
	Normalization Versus De-Normalization	200
	Concluding Remarks	204
	References and Bibliography	207

ABSTRACT

This thesis criticizes Marx's labour theory of value in terms of Habermas's critique of subject-centred thinking, before going on to criticize Habermas's subject-centred approach to the economic system in terms of an intersubjectively re-formulated conception of labour, for while Habermas restores normative content to the principle of self-constitution he restricts it to communicative action. This places the economic system (and its bureaucratic state apparatus) beyond the normative content of modernity. Drawing upon Honneth's writings on struggles for recognition, the thesis seeks to re-normatize labour on the basis of worker's own struggles to re-normatize the economic system.

The first half of the thesis explores the tensions that arise from Marx's attempt to locate his critique of capitalism in a subject-centred conception of self-constitution. Although Marx seeks to historicize the categories of political economy (in line with capitalist exchange relations), he also seeks to preserve a transhistorical conception of labour as the subject of self-objectification (as the standpoint from which to criticize capitalism). However, this leaves Marx vulnerable to his own historical critique of political economy. It is then argued that it is only possible to redeem the latter by re-grounding critical theory in the labour movement's social and historical struggles to oppose capital.

This requires a re-formulation of Marx's labour theory of value. In place of Marx's notion that 'value' is an expression of self-objectifying labour we substitute Simmel's intersubjective approach to money-value. Marx's account of value is then understood as arising from the diremption of intersubjectivity into an 'objective' economic system and its 'subjective' agents. This generates a bifurcation of self-constitution with the intersubjective form of normative social-constitution, on the one side, and the dirempted objective and subjective forms of economic-constitution on the other.

The second half of the thesis critically analyzes Habermas's contention that modern sociality is divided into a normative lifeworld and a non-normative system. This takes the form of an empirical critique of Habermas's restriction of normativity to communicative action, and a theoretical critique of his restriction of the charge of reification to the economic system's encroachment upon the latter. In keeping with the theory of discourse ethics, it is argued that Habermas cannot legitimately withdraw normative content from labour and claim universal scope for the former. Consequently, not only is the economic system's capacity to suppress the normativity of labour invalid from the standpoint of 'practical reason', but so is Habermas's attempt to legitimate the system on the basis of 'functional reason'. The thesis draws on Honneth's work to extend the realm of intersubjectivity into the economy on the basis of the struggles of the labour movement to sublate its diremption of self-regulating system and self-interested actors. We conclude by arguing that trade unions and the welfare state may be understood to comprise normative vehicles for subjecting 'market-value' to an intersubjectively accountable form of 'social-value'.

INTRODUCTION

Marxism is no longer a fashionable theory - although Marxists will argue this is less a function of Marxism than the unpropitious times in which we live. However, the turn away from Marxism has not meant the end of critical theory. On the contrary, under the influence of poststructuralism critical theory migrated during the 1980s from the economic to the cultural realm. Laclau and Mouffe's Hegemony and Socialist Strategy (1985) remains a seminal text marking this shift in Britain, in which the authors seek to replace the economic determinism underlying Marx's class-based approach, with a post-Marxist 'openness of the social' designed to give equal weight to the struggles of other 'social movements'.¹

According to Laclau and Mouffe, Marx's economic determinism comprises a form of 'essentialism' that pre-structures society in a closed and systemic fashion. In order to overcome this essentialist standpoint they set about re-defining modern sociality as an indeterminate entity whose very 'openness' comprises its 'negative essence' (*ibid.*, p.95). 'There is no sutured space peculiar to "society" since the social has no essence' (*ibid.*, p.96). To this extent the space of the social is made up of a set of contingent, indeterminate and fluid properties, which social movements then seek to impose a necessary, determinant and fixed identity upon. The act of imposing social order on the inchoate actuality of social difference is called an 'hegemonic practice'. Thus, according to Laclau and Mouffe '... the openness and indeterminacy of the social ... gives a primary and founding character to negativity and antagonism, and assures the existence of articulatory and hegemonic practices' (*ibid.*, pp.144-5).

¹ Laclau and Mouffe list: '... the new feminism, the protest movements of ethnic, national and sexual minorities, the anti-institutional ecology struggles waged by marginalized layers of the population, the anti-nuclear movement, the atypical forms of social struggle in countries on the capitalist periphery ...' (Laclau & Mouffe 1985, p.1)

Laclau and Mouffe argue that as Marxism developed, the field governed by economic determinism was replaced by a more inessential and contingent conception of the social, culminating in their own assertion that ‘... the space of the economy is itself structured as a political space ...’ (*ibid.*, pp.76-77). In order to justify this claim they draw on the ‘politics of production’ school to argue that labour-power is merely a ‘fictional’ commodity whose social form is determined through struggle (*ibid.*, p.78). ‘Thus, it is not a pure logic of capital which determines the evolution of the labour process; the latter is not merely the place where capital exerts its domination, but the ground of a struggle’ (*ibid.*, p.79).

However, as a means to criticize Marxism, Laclau and Mouffe’s choice of a ‘politics of production’ approach suffers from the fact that not only are many of its advocates committed Marxists,² but they also accept the existence of the ‘logic of capital’.³ Indeed it is precisely because economic structures operate on the basis of a ‘law of value’ that is not reducible to political controls, that Bowles and Gintis argue capitalism stands opposed to democratic forms of ‘popular sovereignty’ (Bowles and Gintis 1986). Thus, while Laclau and Mouffe’s celebration of ‘... the *ultimate* precariousness of all difference ...’ (*op. cit.*, p.128) is designed to make space for a ‘radical democratic’ strategy, the effect is to undermine the economy’s deterministic social structure and with it the role played by ‘radical democracy’ in subverting it. To this extent Laclau and Mouffe merely substitute Marx’s overly deterministic conception of sociality with an overly indeterminate one.

However, the main problem with Laclau and Mouffe’s approach is not that its social ontology is as prescriptive as Marx’s, but that its alternative fails to do

² Michael Burawoy, whose book The Politics of Production is central to this school, writes specifically in defence of a Marxist approach (Burawoy 1985).

³ Bowles and Gintis, who are quoted in connection with the fictional commodity status of labour-power, continue to refer to the ‘logic of capitalist production’ (Bowles and Gintis 1986, p.35).

justice to the historical hegemony of economic imperatives. By arguing that the economy comprises ‘... the last redoubt of essentialism’ (*op. cit.*, p.75), Laclau and Mouffe suggest that it is possible to deconstruct ‘economism’ by deconstructing ‘essentialism’, without regard to the possibility that the latter is an historical expression of the former’s capacity to hegemonize society. It is, therefore, necessary to distinguish between; (a) the problem of essentialism, and (b) the problem of economic determinism.

If, on the one hand, the problem of essentialism is traced to the determinate nature of the capitalist system, then it cannot be resolved by merely re-describing sociality in an indeterminate fashion. However, if, on the other hand, the determinate nature of the capitalist system is ascribed to sociality in general, then it is possible to resolve the problem of essentialism by re-describing the economic realm in historically contingent terms. In other words, if we view the problem of essentialism as predicated on the hegemonic structures of the economy, then it can only be resolved by reforming the economy. Whereas, if the deterministic characteristics of the capitalist economy are erroneously transferred to society in general, the problem of essentialism can be resolved by reformulating how we theorize sociality. Consequently, while Laclau and Mouffe are guilty of defining out of existence the actual deterministic nature of capitalism, Marxists are often guilty of defining out of existence the potentially indeterminate nature of sociality. To avoid these errors we need to differentiate the potential social agents possess to determine their own social structures, from the actual form these social structures take in specific historical circumstances. In other words, we need to employ a theory of ‘reification’.

To this end Berger and Pullberg ask ‘... how is it possible that human activity (*Handeln*) should produce a world of things (*choses*)?’ (Berger and Pullberg 1966, p.57). To answer this question the authors return to the tradition of German

idealism and in particular Hegel's philosophy of history. 'In the Hegelian philosophy Spirit objectivates itself, alienates itself and recovers itself without respite' (*ibid.*, p.58). Although Hegel does not use the term reification (*Verdinglichung*, literally thingification), Berger and Pullberg argue that for Hegel human history is a history in which 'Man exteriorizes himself and loses himself in the things - in the loss the things are posited as "in-itself-others" - only to be returned to himself in thought' (*ibid.*, p.58). Thus the starting point for Berger and Pullberg is the assertion that humanity is a self-constituting species, 'man the world-builder', for whom '... social structure is *nothing but* the result of human enterprise ...' (*ibid.*, p.62). However, as a consequence of a 'rupture' occurring between producer and produced the latter acquire an external, inhuman and reificatory guise. 'Institutions are reified by mystifying their true character as human objectivations and by defining them, again, as supra-human facticities analogous to the facticities of nature' (*ibid.*, p.67).

This approach can be fruitfully applied to the economy insofar as it too comprises a set of social structures which have acquired a supra-social nature. Thus, what for Laclau and Mouffe arises from an economistic *conception* of labour, is viewed by Berger and Pullberg as arising from labour's *de facto* but contingently 'reified' character. 'Labour ... becomes not the world-producing realization of the *human* faculties of man, but a thing, a power to be bought and sold on a quantitatively evaluating market' (*ibid.*, p.59). Moreover, because Berger and Pullberg view economic determinism as grounded in the 'facticity' of labour's reification, rather than the 'fiction' of its commodity status, the process of de-reification can only be achieved on the basis of actual social 'shocks' such as war, trade or migration (*ibid.*, p.70).

Nevertheless, Berger and Pullberg continue to inhabit an epistemological terrain grounded in the sociology of knowledge, in which reification comprises a

‘mystification’ of the ‘true character’ of humanity’s inherent world-forming capacities (*op. cit.*). To this extent Berger and Pullberg share with Laclau and Mouffe and the Marxist tradition, a tendency to ground self-constitution in an ‘ontological’ rather than a ‘normative’ conception of sociality. As such, the capacity for social constitution is attributed to the world-forming practices of humanity, rather than the normative principles of specific social beings in particular historical contexts.

Herein lies the importance of Habermas’s attempt to provide the process of self-constitution with a specifically modern normative content. Central to Habermas’s re-formulation of critical theory is the notion that normativity is an intersubjective phenomenon in which subjects participate in the redemption of claims to cognitive, moral and expressive validity. To this extent, participant’s capacity to argumentatively redeem the moral rules that regulate their lives rests on a set of emergent historical conditions, that makes the free and fair involvement of participants in rational argumentation possible.

If this is the case then the attribution of alienation (or reification) to a social state of affairs must be based on a *normative* account of human agency - i.e. one that affirms human beings *should* constitute their own sociality. As such, social theorists are not only engaged in describing a specific social ontology, but also of prescribing a form of life lived according to morally valid criteria. Moreover, what is morally valid for one time and place will not be valid at another. Thus the fact that modern sociality is legitimated on the basis of a specific conception of social validity - one that valorizes the autonomy of the subject - generates its own problems of determinism. In order to do justice to this conception of social validity it is therefore necessary to provide alienation (reification) with a normative content in conformity with the modern principle of self-constitution.

To this extent it is no longer a question of grounding the charge of reification in a pre-given ontology of human agency, but of viewing the latter's eschewal of normative content as the starting point for an historical analysis of the former. To this end we propose to view purely ontologically defined forms of self-constitution as expressions of *reified* normativity. The question then arises as to how normative relations (between subjects) assume the form of epistemological relations (between subjects and objects). Marx seeks to explain this situation in terms of his theory of 'commodity fetishism' in which relationships between people in production are ascribed to things in exchange (Marx 1976). However, this rests on an 'ontological' notion of labour as the originary source of self-objectifying subjectivity. With the aid of Habermas's intersubjective critique of subject-centred thinking it is possible to widen the charge of reification to include Marx's own conception of self-objectification.

Unfortunately, Habermas is reluctant to extend his intersubjective conception of social validity into the economic realm of monetary relationships. On the contrary, he limits the normative content of social-constitution to the 'symbolic' lifeworld and views the economic realm as a 'non-normative' form of system-constitution. Thus, rather than attempting to re-formulate Marx's labour theory of value along normative lines, Habermas merely confirms its instrumental status for capitalism. However, Habermas's decision not to view the economic system as a reified form of intersubjectivity cannot be justified on the basis of his own discourse ethics, which maintains that only a universalistic conception of normative self-constitution is capable of rendering modernity legitimate. It is then possible to re-formulate Marx's labour theory of value along normative lines, in order to argue that 'value relations' comprise a reified form of intersubjectivity.

However, it is not only necessary to account for the social conditions responsible for reifying intersubjective forms of social validity, but also the social conditions

which make a normatively redeemable conception of reification possible. Thus if the former can be said to arise from the capacity of the economic system to regulate itself on the basis of a ‘law of value’, then the latter can be said to arise from the struggles by participants to subject this ‘objective’ law to ethical criteria. In other words, while it can be argued that the economy generates a ‘factitious’ form of social validity, that renders it susceptible to epistemological evaluation, workers’ struggles to make the economy responsive to their welfare renders it susceptible to moral evaluation. Hence the importance of trade unions and the welfare state in institutionalizing an intersubjective form of self-constitution capable of subjecting the objective ‘values’ of the system to normative validity claims.

We shall now give a chapter by chapter account of our argument. *Chapter one* seeks to locate the philosophical origins of Marx’s labour theory of value in his idealist predecessors’ notion of self-constituting subjectivity. German idealism attempts to reconcile the ‘autonomy’ of subjectivity with the ‘heteronomy’ of objectivity by viewing the latter as an expression of the former. Thus, for Hegel, the subject first ‘externalizes’ itself in the world, before coming to ‘re-internalize’ its alien otherness at a higher level of (self-)consciousness. Marx then appropriates this trope and seeks to further ‘materialize’ it by making a distinction between; (a) the *natural* process of self-objectification that arises from the purposive transformation of nature and; (b) the *historical* process of self-alienation that arises from the social organization of labour by capital. This, however, generates a form of objective sociality that is forever alien to its self-externalizing subjects.

In *chapter two* we explore the tensions which arise from Marx’s attempt to ground his critique of capitalism in the process of self-objectifying labour. Although Marx argues that the naturalistic categories of political economy mirror

the fetishistic character of capitalism he, nevertheless, retains a naturalistic conception of ‘production in general’ from which to launch his own critique of capitalism. This, however, renders him vulnerable to his own historicist critique of political economy. These problems arise because Marx attempts to ground his socialist critique of capitalism in a *transhistorical* rather than an *historical* conception of social labour. In other words, by making self-objectifying labour rather than the labour movement the condition for the possibility of socialism means Marx is unable to redeem his historicist critique of political economy.

Chapter three is divided into two sections. Section one examines the tension that arises between Marx’s historically informed account of the formation of labour by capital and the transhistorical basis of his labour theory of value. However, if as Marx’s historical account of the ‘real subordination of labour’ indicates ‘labour’ is the social product of capital, rather than capital being the social product of labour, then an alternative basis for value is required. Section two draws on Simmel’s ‘intersubjective’ account of value in order to examine the role of exchange in socially ‘validating’ things. We shall then develop Simmel’s contention that money-value comprises a form of reified intersubjectivity.

Chapter four concludes our examination of Marx with an analysis of his theory of exploitation. Here the tension between the historical critique of political economy and the transhistorical critique of capitalism manifests itself as a dispute with regard to the fairness of the wage workers receive for the sale of their labour-power. Thus while the wage appears fair from the historical standpoint of exchange, it appears unfair from the transhistorical standpoint of production in general. However, it is only insofar as Marx adopts the latter position that he can claim workers are exploited. To this extent the notion that capitalism is unjust rests on the ontological properties of (self-objectifying) labour, rather than the normative claims of workers. This then serves to undermine the role played by

workers in generating an alternative conception of justice, while underwriting the objective forms of normativity derived from capitalism's reification of intersubjectivity.

This brings us to the end of the first part of our thesis in which we have sought to question the role Marx's attributes to (self-objectifying) labour in the production of value. In the absence of such a relationship, then both value as the basis for capitalism and labour as the basis for critical theory need to be re-thought. In *Part two* we turn our attention to the writings of Habermas and his attempts to put critical theory on a normative footing.

In *chapter five* we examine Habermas's attempt to separate self-objectification and self-constitution from the question of reification. Under the influence of Weber, Habermas argues that the capitalist system comprises a realm of self-objectification. Although 'the system' continues to comprise an act of self-constitution, the self is a species-subject whose evolutionary progress is no longer amenable to the intentions of participants. It then follows that the economic system's capacity to institutionalize the instrumentalization of labour cannot be deemed reificatory. In contrast to the system the lifeworld comprises a complex assembly of intersubjective relationships embracing the private sphere of the family and the public sphere of communicative action. Because participants engage in acts of self-constitution in the lifeworld it comprises the normative realm. Consequently, the charge of reification only arises when the self-regulating system encroaches upon the self-constituting activities of the lifeworld.

Having outlined Habermas's general approach, *chapter six* seeks to bring out the instabilities inherent in his division of sociality into non-normative system and normative lifeworld. This takes the form, on the one hand, of an empirical critique of Habermas's restriction of normative criteria to the lifeworld and, on

the other hand, of a theoretical critique of Habermas's attempt to protect the economic system from the charge of reification. Thus, in accordance with Habermas's own (normative) contention that validity claims are only socially valid when redeemed by participants, we argue that the question of whether the system is reificatory is a matter for participants (rather than Habermas) to determine. The fact that the system denies its participants the right to exercise this capacity is indicative of its 'invalidity'.

In *chapter seven* we explore Axel Honneth's attempt to re-connect the struggles of workers with the normative content of modernity. Honneth explicitly seeks to extend Habermas's conception of normative self-constitution from communicative action to the activities of workers. Honneth then highlights the fact that workers are also motivated to struggle against the maldistribution of such 'non-material' goods as autonomy and social recognition. Unfortunately, because Honneth shares Habermas's propensity to place the 'material' realm of the economy beyond the 'cultural' realm of normativity he fails, not only to acknowledge the role played by the former in reifying the latter, but also the role played by worker's welfare struggles in sublating the diremption between material interests in self-preservation and normative interests in self-constitution.

In the concluding *chapter eight*, we seek to re-interpret workers' welfare struggles in relation to the economy's reification of intersubjectivity. To this extent the labour movement can then be understood as expanding the scope of intersubjectivity by de-reifying the economic system. Trade unions are one form of expanded intersubjectivity, the institutions of the welfare state another. Although both are imperfect vehicles for democratic will-formation they can, nevertheless, be viewed as expanding the normative content of modernity. This can be seen in the fact that struggles for social welfare generate alternative criteria for judging social validity. Thus while the theory of welfare economics

provides a public forum in which the normative validity of the system can be assessed, the welfare state brings about a partial suspension of market value in favour of an intersubjectively determined form of social value.

In contradistinction to recent attempts to interpret class-based forms of social opposition as solely concerned with the just distribution of material goods,⁴ we shall emphasize the role of the labour movement in generating a normative form of self-constitution committed to bringing about changes, not only in the welfare of labour, but also the accountability of capitalism. To this extent the ‘re-internalization’ by participants of the ‘externalized’ values of the economic system remains a key task of critical theory.

⁴ Here we are thinking of Nancy Fraser’s recent attempts to restrict Marxism to the realm of distributive justice (Fraser 1997).

PART I

CHAPTER ONE: FROM SELF-CONSTITUTION

TO SELF-OBJECTIFICATION

In this chapter we shall trace the transformation of the key enlightenment notion of ‘self-constitution’ into that of ‘self-objectification’ in the writings of Kant, Fichte and Hegel. We shall then go on to show how Marx adopts self-objectification as the basis for his labour theory of sociality in the Economic and Philosophical Manuscripts (Marx 1975). Finally, we shall question the appropriateness of Marx’s objective conception of sociality for a socialist critique of capitalism

THE CRITIQUE OF PURE REASON

According to Charles Taylor, the enlightenment world view generates a schism between self-determining humans and deterministic natural laws (Taylor 1989). Thus while humanity becomes defined in terms of its autonomy, nature becomes defined in terms of the universal and necessary laws of Newtonian physics. An early and seminal formulation of this divide is to be found in René Descartes’s distinction between *res cogitan* (thinking substance) and *res extensia* (extended substance). The ontological diremption of immaterial thought and thoughtless matter brings with it a new epistemological problematic, concerning how the former can acquire valid knowledge of the latter. However, while Descartes is able to provide a basis for self-certain knowledge in the form of *cogito ergo sum*, he is unable to bridge the divide between ‘thinking’ and ‘extended’ substance except through recourse to a benign God.

In response to this epistemological problematic, Kant argues that if we accept that ‘subjects’ can only acquire certain knowledge of themselves, then ‘objectively’ valid knowledge is only possible if the former constitute the latter. Thus rather

than treating the ‘objective’ laws of Newtonian physics as external to and independent of the knowing subject, Kant argues that the former have their source in the latter. In the Critique of Pure Reason (1929a) Kant then seeks to ground the ‘epistemological’ question of how valid knowledge is possible, in the ‘ontological’ capacity of subjects to produce a rational universe. Kant refers to this as his ‘Copernican revolution’ despite the fact, as many have noted, it comprises a most un-Copernican attempt to re-locate humanity at the centre of the (knowable) universe.

Although Kant agrees with David Hume that the universal and necessary structure of causality is ‘... something that exists in the mind, not in objects’ (Hume 1978, p.165) Kant rejects Hume’s contention that the structures of the mind are reducible to mere ‘custom’ (*ibid.*, p.170). On the contrary, argues Kant, the mind is the repository of universal rational structures which provide the transcendental conditions for the possibility of objectively valid knowledge. By way of a ‘transcendental deduction’, Kant then proceeds to uncover the role played by rational subjectivity in the constitution of the knowable world. This entails dividing the world into a *phenomenal* realm of natural laws - we inhabit as empirical subjects - and a *noumenal* realm of unknowable ‘things in themselves’ - we inhabit as transcendental subjects. Kant then proceeds to argue that the former is predicated on the latter. The details of Kant’s complex arguments do not concern us; what concerns us is the way in which the transcendental subject of the *noumenal* world acts upon ‘things in themselves’ to produce the *phenomenal* world we experience as empirical subjects.

However, while the self-identical ‘subject’ comprises the ‘transcendental unity of apperception’, that unites the manifold of sensibilities, this synthesizing activity

belongs to the ‘transcendental faculty of the imagination’ (*Einbildungskraft*).¹ To this extent ‘... the principle of the necessary unity of pure (productive) synthesis of imagination, prior to apperception, is the ground of the possibility of all knowledge, especially of experience’ (*ibid.*, p.143).

In the second edition of the Critique of Pure Reason, Kant places even greater emphasis on the ‘productive’ role played by the imagination in constituting the knowable world. ‘This synthesis is an action [*Wirkung*] of the understanding on the sensibility; and is its first application - and thereby the ground of all its other applications - to the objects of our possible intuition’ (*ibid.*, p.165). To this extent, argues Kant, the necessary and universal ‘laws of nature’ arise from the ‘self-activity’ of the subject’s ‘productive imagination’ (*ibid.*, p.152). ‘However exaggerated and absurd it may sound, to say that the understanding is itself the source of the laws of nature, and so of its formal unity, such an assertion is none the less correct, and is in keeping with the object to which it refers, namely, experience’ (*ibid.*, p.148). As such the deterministic characteristics of the natural world rest upon the self-determining properties of a ‘spontaneous’ form of ‘unconditional’ subjectivity.

Kant then goes on to argue that his ‘two-fold’ approach comprises the best means to reconcile the deterministic character of the world of experience, with the transcendental autonomy of human subjectivity. However, it is only by assuming that causality is limited to the world of appearances that Kant can argue that there is ‘... no contradiction in supposing that one and the same will is, in the appearance, that is, in its visible acts, necessarily subject to the law of nature, and so far *not free*, while yet, as belonging to a thing in itself, it is not subject to the law, and is therefore *free*’ (*ibid.*, p.28). However, when Kant addresses the

¹ As Andrew Bowie notes, the importance of this term is lost in translation, referring as it does to a process of formation (*bildung*) in which sensuous data is turned into coherent images that have the power (*Kraft*) to institute ourselves (*ein*) (Bowie 1990, p.18).

question of moral behaviour (practical reason) he believes that human autonomy can only be preserved by abstracting from the 'heteronomy' of the phenomenal realm and the material interests of its empirical subjects.

THE CRITIQUE OF (PURE) PRACTICAL REASON

Having located the 'active-subject' at the centre of the 'natural' world, Kant now argues that 'moral' action is also based on the notion of free-subjectivity. However, while 'pure reason' is viewed as conditioned by the sensuous intuitions, 'pure practical reason' is held to be a wholly 'supersensuous' and hence self-conditioning activity. Consequently 'empirical' activities such as Hobbesian 'self-preservation', Lockean 'happiness' and Humean 'self-love' are excluded by Kant from the formation of moral laws. 'All material practical principles are, as such, of one and the same kind and belong under the general principle of self-love or one's own happiness' (Kant 1956, p.20).

In other words, we can only be truly moral agents if we transcend the 'material' interests that drive our 'empirical' selves. This calls, once more, for a bifurcation of humanity into two worlds. However, the line between the two is now drawn between the 'rational' world of subjects - insofar as they comprise *ends-in-themselves* - and the 'irrational' world of objects - insofar as they comprise *means-to-an-end*. 'Everything in creation which [man] wishes and over which he has power can be used merely as a means; only man, and with him, every rational creature, is an end in itself' (*ibid.*, p.90).

Having separated purposive subjects from purposeless objects, Kant then seeks to uncover the pure 'legislative form' of the moral law which alone '... can constitute a determining ground of the [free] will' (*ibid.*, pp.28-29). To this end Kant re-formulates Rousseau's search for '... a form of association ... which each, while uniting himself with all, may still obey himself alone, and remain as free as

before' (Rousseau 1973, p.174). However, unlike Rousseau's substantive form of democratic association, Kant seeks a set of formal procedures designed to operationalize the promise of 'self-mastery'. Hence Kant's assertion that '... all maxims are rejected which are inconsistent with the will being itself universal legislator. Thus the will is not subject simply to the law, but so subject that it must be regarded *as itself giving the law*, and on this ground only, subject to the law (of which it can be regarded as the author)' (Kant 1987a, p.60).

In this way, Kant sets out to discover a 'rule of judgement' for 'pure practical reason' which ensures that the activities of each subject are compatible with the ends of all others considered as ends in themselves. In order to bring about this 'kingdom of ends' subjects must ask themselves if their actions conform to a maxim that can, at the same time, become a universal law categorically binding on all other rational creatures.

Morality consists then in the reference of all actions to the legislation which alone can render a kingdom of ends possible. This legislation must be capable of existing in every rational being, and of emanating from his will, so that the principle of his will is, never to act of any maxim which could not without contradiction be also a universal law, and accordingly always so to act *that the will could at the same time regard itself as giving in its maxim universal laws*. (Kant 1987a, p.63)

To this extent obedience to universal moral principles not only presupposes the autonomy of rational subjects but also confers autonomy upon them. Consequently, rational subjects cannot ignore categorical imperatives without undermining their own autonomy.

However, the cost of converting Rousseau's conception of democratic 'self-constitution' into a universalistic procedure for generating moral rules is paid for in terms of its lack of 'material', 'empirical' or 'substantive' content.

Consequently, Kant does not solve the problem of moral obligation - that arises from Hobbes's reduction of human interest to 'self-preservation' - so much as side step it by abstracting from the material content of human ends.

OVERCOMING KANTIAN ANTINOMIES

Kant's legacy is a problematic one. On the one hand, it is unclear how his critique of pure reason relates to his critique of (pure) practical reason - a problem he seeks to address in his Critique of Judgement (1987b) by re-introducing a teleological element into nature. On the other hand, there is the related question of how the opposition Kant sets up between the pure, originary, transcendental, universal, necessary forms of reason and the impure, given, empirical, particular and contingent content of material life can be reconciled with one another.

Fichte's solution to Kant's legacy is both simple and far-reaching. In The Science of Knowledge (1970), Fichte argues that the essence of Kant's philosophy lies in its attempt to ground substance in the unconditional freedom of human subjectivity. Fichte then argues that because Kant locates 'things in themselves' beyond the bounds of the subject they serve to limit the latter's unconditional freedom. Consequently, argues Fichte, it is necessary to enlarge the domain of 'practical reason' in order to assimilate the otherness of 'things in themselves'. To this end Fichte asserts that subjects 'posit' (*setzen*) not only 'themselves' but also the 'not-self' of external things. 'The not-self itself is a product of the self-determining self, and nothing at all absolute, or posited outside the self' (*ibid.*, p.195).

However, Fichte must then explain how 'things in themselves' come to be mistaken for things in their own right. In answer to this Fichte introduces the notion of 'alienation' (*Entäusserung*) into the tradition of German Idealism. 'The independent activity in question proceeds from the act of positing; but it is non-

positing that we actually arrive at: hence we may to that extent entitle the latter *an alienation*' (*ibid.*, p.154).

Thus the fact that the 'transcendental self' is not absolutely identical with itself means that 'something alien' now '... stands in conflict with the self's endeavour [or striving] to be absolutely identical ...' (*ibid.*, pp.233-4). However, once 'things in themselves' are recognized as alienated expressions of self-positing subjects, then the latter come to know themselves as the source of creation. It is therefore no coincidence that Fichte rests his claims to knowledge on the notion of 'intellectual intuition' which Kant (1929, p.90) had previously reserved for the 'primordial being' (*Urwesen*). Hence Fichte's claim that the '... intellectual intuition of the self-active self, is the only concept which unites the two worlds that exist for us, the sensible and the intelligible' (Fichte 1970, p.234). As such it comprises '... the only firm standpoint for all philosophy. From whence we can explain everything that occurs in consciousness ...' (*ibid.*).

Nevertheless, Hegel is critical of Fichte's claim to have reconciled 'subjectivity' and 'objectivity'. Even if the self-acting subject or 'I' (*Ich*) is understood as an 'absolute ego', argues Hegel, it only manages to dissolve the latter into the former. Whereas Hegel argues that it is necessary to achieve a substantive form of 'subject-object identity' - one capable of reconciling the self-constituting powers of rational-autonomy with the substantive actuality of material-heteronomy. To this end Hegel argues that human history comprises a series of 'dialectical' encounters in which Spirit (*Geist*) finds itself confronted by an 'other' which it then recognizes as its own 'externalization' (*Entäusserung*). This then generates a higher, more comprehensive, form of consciousness that enables Spirit to sublate (*aufheben*) its own external moment through a process of 'internalization' (or *Er-innerung* - literally recollection), until such time as Spirit realizes it comprises the self-sundering ground of the world as a totality.

The historical process by which universal reason comes to consciousness of itself as the 'subject' of the 'objective' world is a slow and tortuous one encompassing an eclectic mixture of physics, philosophy, phrenology, parable, historical events, etc. in which Spirit - at each 'stage' or 'level' (*Potenzen*)² of its development - overcomes a limited expression of its own 'externalization' through a more comprehensive form of self-consciousness. The resulting sublation then preserves the past in a future-orientated unfolding of the present. As Hegel argues in his posthumously published lecture notes '... only the study of world history itself can show that it has proceeded rationally, that it represents the rationally necessary course of the World Spirit, the Spirit whose nature is always one and the same, but whose nature unfolds in the course of the world' (Hegel 1953, p.12).

Thus Spirit only obtains truth 'in and for itself' when it has passed through all the material differentiations which make up the determinations of the world and comes to realize that it comprises their originary self-differentiating and self-determining ground. To this extent the question of self-knowledge is predicated upon the 'subject' of 'objective' reality coming to know itself as a self-objectifying subject. In the process, the subject comes to know substance as its own content, while substance comes to know itself as the content of subjectivity. This then culminates in absolute knowledge wherein subjectivity and objectivity are finally reconciled as Spirit's own ongoing process of differentiation and re-unification.³

² *Potenz* is a mathematical term meaning to raise to the power of, to increase or to multiply. For a more detailed account of its philosophical usage see H. S. Harris's introduction to Hegel's System of Ethical Life (Hegel 1979, pp.15-20).

³ Indeed, according to Hegel, Spirit not only comprises 'the identity of identity and non-identity' but also 'the difference of identity and difference' and hence the preservation of difference within identity (see Recognition by Robert R. Williams 1992, p.284).

To this extent Hegel can claim to have synthesized the certainty possessed by Descartes's *res cogitan* with the externality of the *res extensia*, now that it is understood that their diremption originated in a self-sundering subject-object. Unfortunately Hegel's elegant solution to subject-object dualism contradicts two fundamental principles of enlightenment thinking. On the one hand, it restores a teleological element to 'nature' which, unlike Kant's 'regulative idea' of natural purposiveness, possesses a substantive content while, on the other hand, it transforms human autonomy into a mere means for the realization of a supra-human Spirit. Thus in claiming that the world is formed by a rational bearer of transsubjective purposiveness Hegel not only 'subjectifies' nature, but he also 'objectifies' humanity. In the next section we shall examine this latter consequence in more depth.

THE PHILOSOPHY OF RIGHT

In the Elements of the Philosophy of Right (1991), Hegel applies his conception of Spirit to the emergent individualism of 'civil society' (*Bürgerliche Gesellschaft*). At first sight, argues Hegel, it seems that modern individuals are only concerned to pursue their own empirical self-interests. On the basis of this Hobbesian view, Kant then seeks to ground morality in a set of procedural formulations which transcend the substantive basis of material interests. Whereas Hegel argues that even in 'civil society' individuals continue to act 'altruistically' (in an other-orientated fashion) insofar as each can only fulfil their needs by fulfilling the needs of others 'Although each appears to do precisely the opposite of the other and imagines that it can exist only by keeping the other at a distance, each nevertheless has the other as its condition' (Hegel 1991, p.221).

In other words, against Kant's assertion that moral laws are only possible if we abstract from the material interests of our empirical selves, Hegel argues that reciprocal obligations remain immanent to and inherent within 'civil society'. He

therefore congratulates political economy for having discovered within 'civil society' '... laws underlying a mass of contingent occurrences' (*ibid.*, p.228). Laws which, according to Hegel, dialectically demonstrate that '... the particular is mediated by the universal so that each individual, in earning, producing, and enjoying on his own account [*für sich*], thereby earns and produces for the enjoyment of others' (*ibid.*, p.233).

However, the fact that empirical individuals only fulfil social obligations through acts of selfishly inspired self-preservation indicates, to Hegel, that the common bond uniting them is only present in an alienated guise. Similarly just as the 'division of labour' *separates* workers from one another by generating specialized tasks that each performs in isolation, so all are *united* in an external system of interdependence in which the actions of each are a condition for the actions of all. This then creates a dialectical relationship between individual's empirical interests and society's transcendental interests, which finds expression in the fact that particular concrete needs can only be met through the abstract universality of money.

In order to overcome this diremption of concrete individuality and abstract universality, Hegel argues that the modern state comprises the substantive bearer of ethical-solidarity (*Sittlichkeit*),⁴ through which participants recognize each other as normative agents, and in which Spirit recognizes itself as the embodiment of the community's interests. 'The state is the actuality of the ethical Idea - the ethical Spirit as substantial will, *manifest* and clear to itself, which thinks and knows itself and implements what it knows and in so far as it knows it' (*ibid.*, p.155).

⁴ It is significant that Hegel's choice of the term *Sittlichkeit* serves to re-ground the universal and necessary 'subject' of the world in the Humean notion of 'custom' (*Sitte*).

To this extent Hegel's philosophy comprises a form of 'social democracy' *avant la lettre* which responds to Adam Smith's call for 'freedom of trade and commerce against regulation from above' by arguing that '... the more blindly [Spirit] immerses itself in its selfish ends, the more it requires such regulation to bring it back to the universal.' (*ibid.*, p.262) In the same move Hegel also 'materializes' Kant's transcendental philosophy by locating 'the understanding' within the diremptions of 'civil society', before resolving them at the level of the state where his own philosophy takes up residence.

Nevertheless, while Hegel argues that 'Spirit is the nature of human beings *en masse*...', Spirit also acquires a set of transsubjective ends, goals and imperatives which serves to undermine the modern individual's claim to autonomy.

The state in and by itself is the ethical whole, the actualization of freedom... Any discussion of freedom must begin not with or the individual self-consciousness, but only the essence of self-consciousness; for whether human beings know it or not, this essence realizes itself as a self-sufficient power of which single individuals are only moments. The state consists in the march of God in the world ... (*ibid.*, p.279).

Thus, while modern subjectivity plays a key role in the realization of ethical Spirit,⁵ it is the latter - as the objective bearer of rationality - which comprises the bond that constitutes the former. Hegel then criticizes Rousseau's approach to self-constitution on the grounds that he only takes '... the will in a determinate form as the individual will, and he regards the universal will not as the absolutely rational element in the will, but only as a "general" will which proceeds out of this individual will as out of a conscious will' (*ibid.*, p.157). Indeed, because Rousseau foregoes objective Spirit in favour of a democratic public, social order is precariously erected on an arbitrary, contingent and capricious basis. This is

⁵ Robert R. Williams provides a reconstruction of the importance of individual subjectivity in Hegel's writings on 'recognition' (Williams 1992).

then destined to end, as the French Revolution demonstrates ‘... in the maximum of frightfulness and terror’ (*ibid.*).⁶

However, by grounding the social bond that unites individuals in an objective form of morality, Hegel does nothing to challenge the ‘externality’ of modern sociality. On the contrary, in the absence of a democratic form of life in which ‘subjects’ participate in the creation of their own sociality, the former will remain alienated from the latter. To this extent Hegel’s evocation of a supra-social Spirit, far from re-uniting individuals with their own social relations, merely serves to legitimate their diremption.

SELF-OBJECTIFYING LABOUR

According to Marx, the key problem with Hegel’s theory of the state is that ‘The real subject ... appears as a result, whereas the correct approach would be to start with the real subject and then consider its objectification’ (Marx 1975, p.80). To this extent Marx, following Feuerbach, argues that the chief defect of Hegel’s approach is that it attributes human powers to a non-human entity. However, unlike Feuerbach, Marx argues it is not possible to re-appropriate the self-constituting powers of humanity merely by reversing the subject and predicate of Hegelian philosophy. On the contrary, Marx - following Hegel’s own critique of Kant - argues that the alienation of humanity comprises a true expression of humanities’ real alienation. In other words, if the Hegelian state appears to comprise an alien form of ethical community, standing over and above the atomized individuals of ‘civil society’, then this is because they are estranged from each other in reality. ‘The atomism in which civil society is plunged by its *particular* actions is a necessary consequence of the fact that the community, the

⁶ According to Hegel, any attempt to ground the rational constitution of society in the ‘wild idea of the people’ means that humanity will be: ‘... connected only as an aggregate, a formless mass whose commotion and activity could therefore only be elementary, irrational, barbarous, and frightful ...’ (*ibid.*, p.198).

communistic entity in which individuals exist, civil society, is separated from the state, or in other words *the political state is an abstraction* from civil society' (Marx 1975, p.145).

Thus, according to Marx '... the modern state which abstracts from *real man*, was only possible because and in so far as the modern state itself abstracts from *real man* ...' (*ibid.*, p.250), whereas if we are concerned to unite the atomized individuals of 'civil society' with the ethical state it is necessary to democratize the former. 'Democracy is the solution to the *riddle* of every constitution. In it we find the constitution grounded on its true ground: *real human beings* and the *real people* ... The constitution is thus posited as the peoples *own* creation' (*ibid.*, p.87). However, although democracy remains a key aspect of Marx's critical theory, the more he comes to investigate the economic fabric of 'civil society', the more he comes to view human labour as the 'solution to the riddle of its constitution' (*op. cit.*).

The attraction which human labour holds over democratic sociality for Marx arises from its capacity not only to unite individuals with their own sociality, but also the latter with nature. To this extent the notion of labour permits Marx to take up Hegel's materialization of Kant and apply it Hegel's notion of Spirit. This then allows Marx to generate a new synthesis which combines Feuerbach's materialist critique of Hegel with Hegel's idealist critique of materialism. Hence Marx and Engel's assertion that:

The chief defect of all hitherto existing materialism (that of Feuerbach included) is that the thing, reality, sensuousness, is conceived only in the form of the *object* or of *contemplation*, but not as *sensuous human activity, practice*, not subjectively. Hence in contradistinction to materialism, the *active* side was developed by idealism - which, of course, does not know real, sensuous activity as such. (Marx and Engels 1970, p.121)

However, it is in the Economic and Philosophical Manuscripts of 1844 that Marx lays the groundwork for this synthesis between the active subjectivity of humanity and the material reality of nature in self-objectifying labour. To this extent there is nothing problematic, for Marx, about the notion of self-objectification, only the way in which Hegel assigns to Spirit what is a property of the human 'species'.⁷ On the contrary, Marx congratulates Hegel for having correctly discovered the role played by labour in the self-production of humanity. And even his error in attributing this capacity to Spirit is like the errors Hegel discusses in the Phenomenology, a true representation of the alienated character of existing sociality. Once the properties of Spirit are re-assigned to labour then Marx is then in a position to argue that 'It is ... in his fashioning of the objective that man really proves himself to be a *species-being*. Such production is his active species life. Through it nature appears as *his* work and his reality. The object of labour is therefore the *objectification of the species life of man*' (*ibid.*, p.329).

The attraction of this formulation is that it enables Marx to contrast the 'species' properties of labour with the historical form it takes in different social epochs. Thus on the basis of the primordial connection which labour establishes between the 'subjectivity' of humanity and the products in which it is 'objectified', Marx then claims that the separation of the former from the latter comprises a state of 'alienation'.⁸ Alienation arises in the first instance because:

... the object that labour produces, its product, stands opposed to it as *something alien*, as a *power independent* of the producer. The product of labour is labour embodied and made material in an object, it is the *objectification* of labour. The realization of labour is its objectification. In the sphere of political economy this realization of

⁷ The English term 'species' translates the German word *Gattung* which can also mean kind, sort and genus and need not imply a biological meaning (see Wallimann 1981, p.18).

⁸ Thus just as Spirit comprises a ghostly *Gemeinschaft* dissolved within 'civil society', so labour comprises the underlying unity that not only holds capitalism together but also produces its social bond.

labour appears as a *loss of reality* for the worker, objectification as *loss of and bondage to the object*, and appropriation as *estrangement*, as *alienation*. (*ibid.*, p.324)

Marx then argues that ‘... if the product of labour is alienation, production itself must be active alienation, the alienation of activity’ (*ibid.*, p.326). In other words, if workers do not control the products in which their subjectivity is objectified, this is because they are not in control of the process of objectification. ‘The estrangement of the object of labour merely summarizes the estrangement, the alienation in the activity of labour itself’ (*ibid.*). In which case the alienation of labour from its *properties* of self-objectification is grounded in the *ownership* of production by an-other.⁹ ‘If therefore he regards the product of his labour, his objectified labour, as an *alien, hostile* and powerful object which is independent of him, then his relationship to that object is such that another man - alien, hostile, powerful and independent of him - is its master’ (*ibid.*, p.331).

This ‘master’ is the capitalist and it is the very relation of workers to their labour which, according to Marx, ‘... creates the relation of the capitalist ...’ (*ibid.*). Consequently, although Marx describes alienation in experiential terms it cannot be reduced to worker’s experience of capitalism as ‘hostile’, ‘independent’, ‘powerful’ etc. On the contrary, alienation is an objective relationship which occurs even if individual workers are perfectly happy with their situation.

However, this means that the ultimate ground for Marx’s theory of alienation is not the ‘empirical’ subjectivity of ‘real men’ (workers), but rather the ‘transcendental’ subjectivity of self-objectifying labour. Consequently, the errors which Marx attributes to political economy arise less from its tendency to discount the ‘empirical’ interests of workers, than its inability to acknowledge the

⁹ Like Hegel, Marx assumes a distinction between the necessary *properties* which make up the essence of an entity and the contingent *ownership* of these properties by another.

key role played by labour in constituting capitalist sociality. Hence the problem with political economy is that it ‘... *conceals the estrangement in the nature of labour by ignoring the DIRECT relationship between the WORKER (labour) AND PRODUCTION*’ (*ibid.*, p.325). To this extent Marx criticizes political economy for naturalizing the *historical* separation of workers from production under capitalism, while obscuring the natural form of *transhistorical* connection between them. Marx then criticizes capitalism for alienating labour from its own essential powers of self-constitution. In other words, capitalism is responsible for alienating ‘... man from his own body, from nature as it exists outside him, from his spiritual being [and from] his *human* essence’ (*ibid.*, p.329).¹⁰

As such, Marx’s critique of capitalism is predicated upon ‘... an absolute ontological dimension of social life’ (Arthur 1986, p.12). Indeed, Arthur goes on to argue that, in the absence of an ‘absolute’ conception of labour, capitalism itself would acquire an ‘absolute’ form.¹¹ In other words, if we were unable to contrast the historical form taken by labour under capitalism, with its transhistorical form, then ‘private property and exchange’ would appear to be ‘as absolute as productive activity itself’ (*ibid.*), thereby undermining the capacity of critical theory to grasp ‘... the conditions of a *positive supersession* of estrangement ...’ (Arthur 1986, p.12).

However, it is one thing to argue that critical theory is only possible if the conditions for the sublation of capitalism are ‘immanent’ to it, it is another to argue that these conditions are grounded in an ontological conception of (self-

¹⁰ Marx, like Hegel, is concerned to unite ‘essence and existence’ but whereas Hegel believes this is possible within capitalist sociality Marx argues the latter is responsible for their estrangement.

¹¹ To underscore this point, Arthur (1986) argues that Marx makes a systematic distinction in the Economic and Philosophical Manuscripts (Marx 1975) between ‘labour’ - by which Marx means ‘alienated labour’ and ‘life-activity’ or ‘productive-life’ - by which Marx means the (non-alienated) species activity of self-objectification. However, our own reading finds no such systematic usage. Although Marx does sometimes use the term ‘labour’ to mean ‘alienated labour’ (*ibid.*, p.354), on other occasions he uses the term simply to mean self-objectification (*ibid.*, p.324 and p.328).

objectifying) labour. In attempting to counterpoise a universal conception of labour to its particular capitalist form, Marx is in danger of comparing a transcendental ideal to an empirical actuality. In other words, rather than basing his critique of capitalism on the experiences and social struggles of 'real' men and women, Marx chooses to base it on an underlying conception of the species 'man'. Marx is aware of the problematical nature of this strategy and attempts, on occasions, to generate a more social and historical conception of 'man'. '... [B]oth the material of labour and man as subject are the starting point as well as the outcome of the movement ... So the *social* character is the general character of the whole movement; *just as* society produces *man* as *man*, so it is *produced* by him' (Marx 1975, p.349).

The notion that 'man' is a social being whose existence depends on its historical form of appearance finds its most celebrated expression in Marx's assertion that '... the human essence is no abstraction inherent in each single individual. In its reality it is the ensemble of the social relations' (Marx and Engels 1970, p.122). However, it is difficult for Marx to maintain a socialized conception of 'man' without undermining his own conception of labour as the originary unity of 'man and nature'. Consequently, Marx also retains a notion of 'man' as the labouring subject which produces sociality in the act of purposively transforming nature.¹² As such, argues Richard Winfield, Marx attempts to '... formulate the concept of *social* production by means of a notion of labouring activity that is itself specified through the reflection of an ultimately presupposed subject' (Winfield 1991, p.137).

Thus, rather than viewing self-objectifying subjectivity as a social process which describes the form taken by self-constitution under definite historical

¹² In *Spectres of Marx* (1994), Derrida argues that the vehement attacks on Max Stirner which occupy much of the *German Ideology* arise from Marx's failed attempt to 'exorcise' his own reliance on an ontology of humanity (*ibid.*, p.170).

circumstances, Marx lifts the process of self-objectification out of its historical context in order to make it the transhistorical condition for the possibility of sociality in general. However, this not only severs the subject of sociality from its social context it also naturalizes the resulting form of objective sociality. One way out of this dilemma would be to view the diremption of subjectivity from sociality as an expression of alienation. However, it is not possible to re-locate the subject in sociality without de-objectifying sociality, as each is a condition for the other. This returns us to Hegel's approach to 'civil society' insofar as the abstract objectivity of sociality is seen to be predicated on the abstract subjectivity of individuals. The process of de-alienation is then understood as one in which the subjective and objective components of sociality are reconciled in a new form of social solidarity.

Unfortunately, by grounding his approach to self-constitution on self-objectifying subjectivity, Marx renders it impossible for the subject to re-internalize its own objective creation. In other words, because Marx makes the subject of re-internalization an abstract atomized subject it would lead to the subjectification of sociality. Marx then rejects the process of re-internalization as 'idealistic', despite the fact that its status depends on the nature of the subject which doing the internalizing. Thus, in order to view Hegel as an 'idealist' Marx seeks to reduce Hegel's notion of Absolute Spirit to the subjectivity of human consciousness.

MARX'S CRITIQUE OF HEGEL'S IDEALISM

In line with his contention that the Hegelian Spirit is merely an alienated expression of human labour, Marx praises Hegel for having understood history as a process of self-constitution in which humanity alienates itself in an-other before returning to itself at a higher level. 'Hegel conceives the self-creation of man as a process, objectification as loss of object [*Entgegenständlichung*], as alienation and as supersession of this alienation ... he therefore grasps the nature of *labour*

and conceives objective man - true, because real man - as the result of his *own labour*' (*ibid.*, p.386). However, Marx then argues that 'the only labour Hegel knows and recognizes, is *abstract mental labour* ...' (*ibid.*). Consequently, for Hegel '... *human nature, man*, is equivalent to self-consciousness'. In which case 'All estrangement of human nature is therefore *nothing* but *estrangement of self-consciousness*' (*ibid.*, p.387). From this Marx concludes that Hegel, under the rubric of 'externalization' (*Entäusserung*) erroneously equates 'objectification' (*Vergegenständlichung*) with 'alienation' (*Entfremdung*).¹³ It therefore follows that when Hegel calls for the supersession of alienation he is also calling for '... the supersession of objectivity, since it is not the particular character of the object but its objective character which constitutes the offence ...' (Marx 1975, p.391). To this extent, argues Marx 'The *reappropriation* of the objective essence of man, produced in the form estrangement as something alien, therefore means transcending not only *estrangement* but also *objectivity*' (*ibid.*, p.387).

In other words, on the grounds that Hegel regards man '... as a *non-objective, spiritual being* ...' (*ibid.*), Marx argues that for Hegel the return of humanity to itself requires the abolition of 'objectivity', whereas, according to Marx, human beings are self-objectifying beings that produce themselves through the purposive transformation of nature. On this basis, Marx then argues that while the overcoming of alienation will not bring about the overcoming of objectivity, the former, nevertheless, can only be brought about by an objective act as opposed to a mere change of consciousness.

However, not everybody agrees with Marx's interpretation of Hegel. For example, Gillian Rose argues that 'Marx produces a Fichtean reading of Hegel's system as the unconditioned absolute idea which pours forth nature, which does

¹³ As Arthur (1982) notes, Hegel does not in fact use the term 'objectification' (*Vergegenständlichung*) but rather *Entäusserung*, meaning both 'alienation' and 'externalization'.

not recognize but creates determination'¹⁴ (Rose 1981, p.214). In support of this view it is possible to find passages in which Hegel criticizes Fichte in the same way that Marx criticizes Hegel. Thus, commenting on Fichte's philosophy, Hegel argues that 'The subjective does indeed become the subject-object, but not the objective; and so the subject is not equal to the object' (quoted in Lukacs 1971b, p.268). In other words, rather than seeking to submerge 'objectivity' within (human) 'subjectivity', as Marx contends, Hegel argues that it is their diremption which comprises Spirit's alienation. Consequently, the overcoming of alienation (externalization) does not require the abolition of objectivity, but rather the reconciliation of subjectivity and objectivity within 'Absolute Spirit'.

Neither the subjective nor the objective alone constitutes consciousness; the purely subjective is just as abstract as the purely objective; dogmatic idealism posits the subjective as the real ground of the objective, dogmatic realism posits the objective as the real ground of the subjective ... But just as idealism asserts the unity of consciousness, realism with no less validity insist on its duality.' (Hegel quoted in Lukacs 1971b, p.271)

The main error of Marx's critique of Hegel concerns his attempt to interpret Hegel as arguing that humanity is 'equivalent to self-consciousness' (*op. cit.*), when, as we have seen, Spirit and not humanity is the bearer of self-consciousness. Consequently, for Hegel, the overcoming of *estrangement* is not identical with the overcoming of *objectivity*. On the contrary, the latter remains one of the essential properties of Spirit. Because the process of 're-internalizing' the 'external' character of human sociality is the work of Spirit, the resulting form of ethical solidarity retains an objective character. Thus, far from reducing the world to human consciousness, as Marx argues, the act of 're-internalization' actually serves to legitimate the objective character of human sociality.

¹⁴ Richard Winfield also criticizes Marx for reducing the Hegelian enquiry 'to an egological positing' (Winfield 1991, p.157).

SOCIAL EPISTEMOLOGY

It is not possible to understand Marx's theory of value, and hence the ground of his critique of capitalism, without understanding its relationship to Hegelian philosophy. From Hegel, Marx takes the enlightenment notion of self-constitution in the guise of self-objectifying subjectivity. However, whereas Hegel argues that the subject of this process is a collective social-subject which is internally dirempted, Marx argues that the subject is purposive labour. As a result, the subject which originates sociality exists prior to the sociality it originates, while the form of sociality it produces has an inherently objective nature. Because Marx rejects the Hegelian moment of 're-internalization' on the grounds that it is idealistic, the objectivity of human sociality is viewed as an entirely natural property that cannot be re-appropriated by subjects without undermining the objective nature of humanity.

However, as we have seen, the process of re-internalization or re-appropriation gains its character from the subject undertaking the process and not the process itself. In the case of Fichte's 'ego', the re-internalization process reduces the objectivity of sociality to the level of subjectivity, whereas in the case of Hegel's Spirit the re-internalization process absolutizes the objectivity of sociality. It is because Marx's notion of self-objectification shares with Fichte an individualistic origin that the process of re-internalization leads to the 'subjectification' of sociality. Consequently, Marx seeks to avoid this by denying an additional process of internalization. But this causes problems not only for Marx's theory of sociality but also for his social epistemology.

Marx presents us with a trifurcated conception of 'subjectivity', reminiscent of Kant, whereby the subject is divided into: (1) the (transcendental) source of sociality (purposive labour); (2) (empirical) workers who experience their sociality as external and alienating and; (3) the bearer of social knowledge

(Marx). As the bearer of 'objective' knowledge, Marx is the conduit for both the suffering of empirical workers and the transcendental powers of self-objectifying labour. However, this begs the question what is the basis for Marx's knowledge of sociality? A comparison with Hegel is instructive here. According to Hegel, the ground of 'absolute knowledge' is a self-objectifying subject that comes to recognize itself as the subject of the world. When the subject (Spirit) recognizes itself as the ground of sociality it not only abolishes its alienated character, it also acquires absolute knowledge of the world. Hegel can then argue that his philosophical position expresses the point at which Spirit comes to recognize itself as the subject of human sociality. Implausible as this might seem, it nevertheless provides a basis for Hegel's own standpoint in the world.

However, in Marx's case the subject of self-objectification is alienated from its own process of objectification. Consequently, it is unaware that it is the subject of sociality. By the same token, the empirical workers who experience sociality as a hostile force ruling their lives are also unaware that they are the ultimate source of these hostile structures. Neither can therefore provide a basis for Marx's own standpoint. Thus, unlike Hegel, who provides a reflexive account of the conditions for the possibility of absolute knowledge in the self-becoming of Spirit, Marx fails to secure a basis for his own claim to 'objective' knowledge.

The origin of this failure lies in Marx's reluctance to build the re-internalization process into his own approach. Because Marx associates the re-internalization of sociality with its de-objectification, he rejects both its ontological and epistemological consequences. However, this not only leads Marx to naturalize the objectivity of sociality, but also to leave the question of his own standpoint in the world untheorized. And yet, as Hegel recognized, as a social theorist Marx cannot avoid re-internalizing sociality. On the contrary, in the very act of theorizing the object of knowledge (capitalism) Marx transforms it into a form of

‘subjective’ representation (*Capital*). But whereas Hegel can claim that the process of theorizing sociality as the product of a self-objectifying subject is identical with the latter’s own consciousness, Marx’s standpoint, like that of the Kantian understanding, remains dirempted from the productive subject of sociality. The subject of knowledge therefore appears to be none other than Marx himself. In which case his claim to objective knowledge rests upon a purely individualistic foundation.

In order to overcome this problem we shall seek to locate Marx’s own standpoint within the social and historical tradition in which it stands. In other words the socialist movement out of which his critique of capitalism grows. From this standpoint the process of theoretically ‘internalizing’ capitalism comprises a social representation on behalf of the socialist movement. However, while this social basis cannot, unlike Hegel’s Spirit, aspire to objective knowledge, it can avoid the subjectivism which is its other side. As such, it goes some way towards Habermas’s attempt to locate all knowledge claims within a set of intersubjective relationships in which validity is argumentatively established. To this extent, critical theory is not only required to reflexively incorporate the social conditions which make it possible, but also the normative criteria from which it condemns capitalist sociality.

Much of what follows in the next three chapters will be concerned to establish the basis for Marx’s critique in the notion of self-objectifying labour and explore its ramifications in terms of; (a) the subjective source of sociality; (b) the objective form of sociality and; (c) Marx’s avoidance of a normative standpoint. In short, we shall be concerned to draw attention to Marx’s underlying theory of sociality in order to argue that its transhistorical form disguises an historical content that owes too much to the sociality of capitalism in which it arises. We now turn to a

more detailed examination of the relationship between Marx's historical critique of political economy and his transhistorical critique of capitalism.

CHAPTER TWO: MARX'S HISTORICAL CRITIQUE

OF POLITICAL ECONOMY AND HIS

TRANSHISTORICAL CRITIQUE OF CAPITALISM

In an article on Max Horkheimer entitled 'Critical Theory and Political Economy', Moishe Postone and Barbara Brick argue that:

In Marx's mature theory, the notion that labor constitutes the social world and is the source of all wealth refers to capitalist or modern society alone, and not to society in general. Moreover, his analysis does not refer to labor to labour as it is generally and transhistorically conceived: a goal directed social activity that mediates between humans and nature, transforming material in a determinate manner. Rather Marx analyzes a peculiar role that labor purportedly plays in capitalist society alone: it mediates a new form of social interdependence ... that is abstract, quasi-objective, and historically dynamic. In other words, labor in capitalism constitutes a historically specific form of social mediation that is the ultimate social ground of the basic features of modernity. (Postone and Brick 1993, pp.247-8)

The importance of Postone and Brick's analysis lies in their recognition of the key role labour plays for Marx in 'constituting the social world'. However, in contrast to their historicist interpretation of Marx's theory of labour as the 'ultimate ground of modernity', we shall argue that this rests on a transhistorical conception of labour as the ultimate ground of sociality in general. To this end we argue Marx's 'materialist conception of history' is predicated on a 'philosophical anthropology' derived from Hegel's philosophy of Spirit.

In The German Ideology Marx, in association with Engels, argues that 'As individuals express their life, so they are. What they are, therefore, coincides with their production, both with *what* they produce and with *how* they produce. The nature of individuals thus depends on the material conditions determining their production' (Marx and Engels 1970, p.42).

This is often taken to mean that material production is important because it comprises the necessary and universal conditions for human life. However, Marx's materialist conception of history does not just *rest* upon but is *ontologically* entwined with labour's purposive transformation of nature. Thus, while the term 'species being' rarely occurs in Marx's later writings, it underlies the notions of 'production in general' and the 'real labour process' by means of which Marx contrasts the universal and necessary structures of material production with the historical and social structures in which they are manifest. Thus, according to Derek Sayer 'Marx systematically and consistently reformulates the categories of his predecessors as unambiguously transhistorical or historical concepts, the former on the basis of his analysis of production in general and the latter on the basis of the conclusions of his analytic' (Sayer 1979, p.147).¹

Sayer's interpretation of Marx not only contrasts with Postone and Brick above but also with Ernest Mandel's claim that 'For Marx "pure" economic theory which abstracts from a specific social structure, is impossible' (Mandel 1976). Nevertheless, in Capital Vol. I, Marx himself declares:

On the one hand, we name the elements of the labour process combined with the *specific social characteristics* peculiar to them in a given *historical* phase, and on the other hand we add an element which forms an integral part of the *labour process* independently of any particular social formation, as part of an eternal commerce between man and nature. (Marx 1976, p.998)

To this extent Marx not only believes that it possible but also desirable to abstract from historically specific forms of sociality in order to arrive at the conditions for social production in general. Marx pursues this strategy in order to distinguish the world-constituting capacities of labour in general from the alienated social form

¹ Although we question the degree to which Marx pursues this strategy 'systematically', 'consistently' or 'unambiguously'.

this takes under capitalism. He is then in a position to accuse capital of appropriating the self-objectifying power's of labour, and political economy of confusing the two. 'By confusing the appropriation of the labour process by capital with the labour process itself, the economists transform the *material elements* of the labour process into capital, simply because capital itself changes into the material element of the labour process *among other things*' (Marx 1976, p.998).

Marx deploys this critical strategy against Adam Smith's contention that 'capital' is equivalent to the 'means of production'. 'The catch is that if all capital is objectified labour which serves as means for new production, it is not the case that all objectified labour which serves as means for new production is capital. *Capital is conceived as a thing, not as a relation*'² (Marx 1973, p.258). In short, Marx criticizes political economy for confusing the transhistorical content of self-objectifying labour with the alienated form it takes under capitalism. 'The bourgeois economists are so much cooped up within the notions belonging to a specific historical stage of social development that the necessity of the *objectification* of the powers of social labour appears to them as inseparable from the necessity of their *alienation vis-à-vis* living labour' (Marx 1973, p.832).

To this extent Marx can be said to pursue two independent but interrelated critical strategies in his mature economic writings. On the one hand, Marx is concerned to retain certain 'eternal natural laws independent of history', from which to launch a critique of capitalism, while on the other hand, Marx is concerned to undermine political economy's depiction of capitalism as '... encased in eternal natural laws independent of history ...' (Marx 1973, p.87). However, the more

² Thus, when Adam Smith argues that: '... capital is "accumulated (realized) labour (properly, *objectified* [*Vergegenständlichte*] labour), which serves as the labour for new labour (production)", then this refers to the simple material of labour, without regard to the formal character without which it is not capital' (Marx 1973, p.257).

Marx attempts to historicize the categories of political economy in line with capitalist sociality, the more he risks his own transhistorical notion of production in general; while the more he attempts to criticize capitalism on the basis of production in general the more he risks absolutizing capitalism *à la* political economy.

To fully appreciate the nature of this tension, however, it is necessary to place it in the context of the relationship between *production* and *exchange*. According to Marx, production under capitalism takes place for exchange and exchange regulates production. Nevertheless, production also remains separate from and independent of exchange. As such it retains a transhistorical dimension which not only resists socialization by exchange but is ultimately the latter's source, substance and subject. Consequently, while exchange historicizes production, production remains the transhistorical foundation for self-objectifying labour. It is this formulation that Marx then uses to differentiate between 'classical' political economy (represented by the 'scientific' Ricardo), which argues labour in production determines the value at which things exchange, and 'vulgar' political economy (represented by the 'dull' Say), which argues value is merely an exchange phenomena. However, while Marx is concerned to sustain Ricardo's labour theory of value in contrast to Say's exchange-based approach, he is also concerned to acknowledge the role played by the latter in changing the social character form of the former.

Nevertheless, Marx's historicization of Ricardo's labour theory of value in terms of production for exchange can only proceed so far before the former is subsumed beneath the latter. To this extent a fully historicized conception of labour would be unable to distinguish between the elemental properties of labour and the social developed properties of capital. For this reason, Marx attempts to steer a perilous course between; (a) historicizing the categories of political

economy - vis-à-vis exchange relations - in order to de-naturalize capitalism and;
 (b) identifying the natural foundations of capitalism - vis-à-vis production in general - in order to provide a transhistorical foundation for the labour theory of value. We begin by identifying the basic structures of 'production in general'.

THE LABOUR PROCESS

One of the clearest description of 'production in general' occurs in the section on the labour process in Capital Vol. I. Therein Marx argues that the fact '... the production of use-values, or goods, is carried on under the control of a capitalist and on his behalf does not alter the general character of that production' (Marx 1976, p.283). This is because labour is '... first of all a process between man and nature, a process by which man, through his own actions, mediates, regulates and controls the metabolism between himself and nature' (*ibid.*). To this extent, Marx argues it is possible to abstract from all historically specific forms of sociality in order to depict the labour process as a process in which labour 'confronts the materials of nature' as a natural 'force of nature' (*ibid.*). It is in this context that Marx makes his much commented upon assertion that, unlike animals, humans *purposively* plan their productive activities in advance of their undertaking.

A spider conducts operations which resemble those of a weaver, and a bee would put many a human architect to shame by the construction of its honeycomb cells. But what distinguishes the worst architect from the best bee is that the architect builds the cell in his mind [*Kopf*] before he constructs it in wax. At the end of every labour process, a result emerges which had already been conceived by the worker at the beginning, hence already existed ideally. (Marx 1976, p.284)

In this way Marx abstracts human purposiveness from any and all social mediations in order to bring human consciousness directly into relationship with

natural being.³ Thus just as purposive labour combines with nature to change the material world, so the transformed products (use-values) which emerge from this process serve to ‘objectify’ the purposes that go into their making. ‘Man not only effects a change of form in the materials of nature; he also realizes his own purpose in those materials.’ (*ibid.*) ‘The product of the process is a use-value, a piece of natural material adapted to human needs through a change in its form. Labour becomes bound up with its object. The object is worked on [*verarbeitet*] and work is objectified [*Vergegenständlicht*’ (*ibid.*, p.287, translation modified).

To this extent, the labour process comprises a reciprocal relationship between purposive labour and nature, in which labour transforms nature in a *teleological* fashion and nature confers (technical) rules upon labour in keeping its *causal* properties. For this reason the subordination of nature to the ‘sovereign power’ of labour is matched, in equal measure, by the subordination of labour to nature.⁴ Thus, while the worker purposefully determines the contours of nature, nature in turn ‘... determines the mode of [the worker’s] activity with the rigidity of a law, and he must subordinate his will to it’ (*ibid.*, p.284).

In the first instance, labour mediates a *teleological* relationship to nature and a *causal* relationship to humanity rather than a *social* relationship human beings. For this reason Marx places ‘... man and his labour on one side, nature and its materials on the other ...’ in abstraction from the social relationships which provide their historical context. Consequently, what mediates between ‘man and nature’ in the labour process is not sociality but the ‘instruments of production’

³ As Richard Winfield notes: ‘The first moment is *labour* as such, that original *praxis* in which self-consciousness achieves its concrete reality independent of a system of social relations’ (Winfield 1991, p.140).

⁴ In the *Theories of Surplus Value*, Marx writes that: ‘Man himself is the basis of his material production, as of any other production that he carries on. All circumstances, therefore, which affect man, the *subject* of production, more or less modify all his functions and activities, and therefore too his functions and activities as the creator of material wealth ...’ (Marx 1972, p.288).

(*Arbeitsmittel*).⁵ Instruments which, according to Marx, not only materialize human purposes but also transfer these abstract ahistorical purposes to other materials in the production process. To this extent Marx endorses Benjamin Franklin's description of humanity as a 'tool-making animal' (*ibid.*, p.286), while the 'earth' comprises a 'universal instrument' of production and nature a 'field of employment'.⁶ Marx then summarizes the structure of the labour process in the following fashion.

The labour process, as we have just presented it in its simple and abstract elements, is purposeful activity aimed at the production of use-values. It is an appropriation of what exists in nature for the requirements of man. It is the universal condition for the metabolic interaction [*Stoffwechsel*] between man and nature, the everlasting nature-imposed condition of human existence ... it is therefore independent of every form of that existence, or rather it is common to all forms of society in which human beings live. (*ibid.*, p.290)

However, as Postone and Brick argue, 'purposeful activity' not only objectifies itself in use-values but also in the sociality of capitalism. This, in turn, calls forth a specifically capitalist form of 'abstract labour' which Marx argues he was the first to discover.

THE STRUCTURE OF THE COMMODITY

Marx famously begins *Capital* by noting that under capitalism 'wealth' takes the general form of 'commodities'. Commodities, in turn, have both a *material* and a *social* dimension. The material dimension comprises its 'use-value' and is synonymous with '... the physical body of the commodity itself, for instance iron, corn, a diamond, which is the use-value or useful thing' (Marx 1976, p.126). To this extent use-values '... constitute the material content of wealth, whatever its

⁵ In German, the word *Mittel* can mean both instruments and methods, on the one hand, or middle and mediation, on the other.

⁶ Marx uses this English expression in the German edition of *Capital* alongside the German *Wirkungsraum* (realm of activity) which does not appear in the English translation.

social form may be' (*ibid.*), whereas the social side of the commodity comprise its 'exchange-value' and is synonymous with the monetary-form of use-values in the exchange process.

But what is it, Marx wonders, that allows such particularistic, concrete, sensuous, material and altogether disparate objects to exchange with one another? Clearly it cannot be anything intrinsic to the use-values themselves, argues Marx, because they have nothing in common with one another. If, however, we disregard the use-value of commodities then '... only one property remains, that of being products of labour' (*ibid.*, p.128). In other words, all use-values share the fact that they 'objectify' purposive labour.⁷ Marx then argues that the 'two-fold' nature of commodities is predicated on the two-fold nature of the labour that produces them.

Marx refers to the material activity which fashions use-values as 'concrete labour' as it corresponds to the particular form of the thing it produces. 'The totality of heterogeneous use-values or physical commodities reflects a totality of similarly heterogeneous forms of useful labour ...' (*ibid.*, p.132). Consequently, while concrete labour, like that of use values, changes over time and place, it comprises the basic building bricks of all human societies irrespective of their social organisation. 'Labour, then, as the creator of use-values, as useful labour, is a condition of human existence which is independent of all forms of society ...' (*ibid.*, p.133). As such concrete labour comprises a 'force of nature' that combines with nature to create (materially transformed) use-values.

Marx refers to the social activity which fashions value as 'abstract labour'. However, Marx's account of abstract labour is not as well developed as his

⁷ Marx is well aware that just as not all use-values are 'material' so not all use-values are the products of labour but these complications are placed on one side for the moment in order to concentrate on the general theory.

account of concrete labour.⁸ Indeed, many Marxists had entirely overlooked its importance until the re-publication of I.I. Rubin's Essays on Marx's Theory of Value (Rubin 1973). This resulted in the emergence of a distinctive new 'school' of sociologists and economists who seek, like Postone and Brick, to emphasize the distinction between Marx and Ricardo's approach to value-formation.

At its first appearance abstract labour could be mistaken for a form of homogenous *physical* labour. Thus, having abstracted from the sensuous-empirical characteristics of commodities, Marx informs us that 'There is nothing left of them but the same phantom-like objectivity; they are merely congealed quantities of homogenous human labour ...' (Marx 1976, p.128). In the Grundrisse, Marx provides this definition with an historical foundation on the grounds that labour under capitalism becomes '... more and more a *purely abstract activity*, a purely mechanical activity, hence indifferent to its particular form; a merely *formal* activity, or what is the same, a merely *material* activity, activity pure and simple, regardless of its form' (Marx 1973, p.297).

However, as Sayer notes, this would only provide Marx with a *natural* connection between labour and value in the manner of Ricardo and his socialist followers (Sayer 1979, p.20), whereas Marx is searching for a specifically *social* connection between the two. Hence the importance of Rubin's assertion that abstract labour refers not to the homogenization of (social) labour in production but rather the 'abstraction' from concrete objects in exchange (Rubin 1973, pp.131-158). To this extent, argues Rubin, abstract labour comprises the social form taken by concrete labour once all material content is abstracted from it by

⁸ Indeed, it is arguable that Marx was unable to formulate a clear notion of abstract labour because of his continuing allegiance to a labour-duration theory of price determination.

exchange.⁹ Moreover, Marx argues, it is possible to discover this common abstract element in the simplest exchange between use-values.

In order to express the fact that, for instance, weaving creates the value of linen through its general property of being human labour rather than in its concrete form as weaving, we contrast it with the concrete labour which produces the equivalent of the linen, namely tailoring. Tailoring is now seen as the tangible form of realization of abstract human labour. (Marx 1976, p.150)

However, the more exchange comes to dominate material production the more one specific ‘use value’ emerges with the sole function of manifesting abstract labour. ‘The specific kind of commodity with whose natural form the equivalent form is socially interwoven now becomes the money commodity, or serves as money’ (*ibid.*, p.162). As such, money comprises the material expression of abstract labour - the ‘universal equivalent’ - which facilitates the exchange of all use-values. Thus, while the abstraction of labour is implicit in all rudimentary forms of exchange, it is only with generalized commodity production that the qualitative *equalization* of use-values in terms of abstract labour manifests itself in quantities of the money-form. Consequently it is only under capitalism that use-values acquire an ‘objective’ social form which is capable of facilitating their exchange. ‘The product of labour is an object of utility in all states of society; but it is only a historically specific epoch of development which presents the labour expended in the production of a useful article as an “objective” property of that article, i.e. as its value’ (*ibid.*, pp.153-4).

However, the fact that the role played by abstract labour in the production of value is completely obscured in exchange makes it appear that exchange-value is a property of the things themselves.

⁹ A similar formulation can also be found in the Grundrisse when Marx writes that ‘All production is an objectification of the individual. In money (exchange value), however, the individual is not objectified in his natural quality, but in a social quality (relation) which is, at the same time, external to him’ (Marx 1973, p.226).

THE FETISH-CHARACTER OF COMMODITIES

AND THEIR SECRET¹⁰

While we have grown so inured to the commodity structure of wealth that it appears perfectly ordinary to us, for Marx it is ‘... a very strange thing, abounding in metaphysical subtleties and theological niceties’ (Marx 1976, p163). Marx then asks from whence does its ‘mystical character’ derive? Clearly not from the use-value as this is an ‘ordinary sensuous thing’. On the contrary it derives from the exchange-value which ‘transcends sensuousness’ (*ibid.*).

Whence, then, arises the enigmatic character of the product of labour, as soon as it assumes the form of a commodity? Clearly it arises from this form itself. The equality of the kinds of human labour takes on a physical form in the equal objectivity of the products of labour as values; the measure of the expenditure of human labour-power by its duration takes on the form of the magnitude of the value of the products of labour; and finally the relationship between the producers, within which the social characteristics of their labours are manifested, take on the form of a social relation between the products of labour. (Marx 1976, p.164)

In other words, the ‘enigmatic character’ of commodities derives from the fact that use-values manifest properties in exchange which transcend their material content. However, while ‘value’ may appear to be a material relationship between things in exchange, in reality it comprises a social relationship between workers in production. ‘The mysterious character of the commodity-form consists therefore simply in the fact that the commodity reflects the social characteristics of men’s own labour as objective characteristics of the products of labour themselves, as the socio-natural properties of these things’ (*ibid.*, pp.164-5).

¹⁰ The notion of ‘fetishism’ has a long cultural history and was widely used in Marx’s day to refer to the ‘primitive’ worship of inanimate things (William Pietz 1993).

Herein, then, lies the basis for political economy's tendency to confuse the historicity of capitalism with the transhistoricity of material entities. Because exchange-value appears to be a property of use-values, then value-producing labour appears to be a property of concrete labour and capital appears to be a property of means of production. In each case the sociality of the former is elided with the materiality of the latter in keeping with capitalism's own tendency to manifest social relationships as relationships between things which, in the specific case of 'commodity fetishism', endows objects with magical (self-animating) properties.

In order, therefore, to find an analogy we must take flight into the misty realm of religion. There the products of the human brain appear as autonomous figures endowed with a life of their own, which enter into relations both with each other and with the human race. So it is in the world of commodities with the products of men's hands.¹¹ (Marx 1976, p.165)

However, in order to uncover the relations between people in production that manifest themselves in the relations between things in exchange, Marx does not seek to locate the content of value in abstract labour but rather in labour in general. Marx then proceeds to compare the opaque form taken by the labour-value relation under capitalism with the more transparent form it takes in other modes of production.

TRANSHISTORICAL COMPARISONS

Marx's first choice of a non-mystified 'mode of production' seems strange insofar as Daniel Defoe's novel of Robinson Crusoe was widely used by political economists to naturalize capitalist social relations. Nevertheless, despite heaping

¹¹ In this way Marx applies the enlightenment critique of religion to capitalism in order to show how the latter appears irrational in terms of the former's strictures against attributing ends to things.

scorn on 'Robinsonades' for reducing the historicity of capitalism to an ahistorical account of one man's efforts to tame the elements, Marx believes it is possible to use the novel to his own advantage.¹² To this end Marx argues that Robinson Crusoe (presumably prior to 'Friday's' arrival), is never in any doubt that his many and varied forms of concrete labour are merely different forms of the same identical human activity (*ibid.*, p.169). To this extent he is well placed to abstract from the different types of concrete labour he performs in order to ascribe social value to its products on the basis of duration alone. As such, contends Marx, the relationship between Robinson and the objects of his wealth '... contain all the essential determinants of value' (*ibid.*, p.170).

The same can also be said of the serf in medieval Europe who, despite being 'shrouded in darkness' and steeped in 'personal dependence', knows that '... what he expends in the service of his lord is a specific quantity of his own personal labour-power' (*ibid.*, p.170). As such, the most ignorant serf is in a better position than the most educated worker to understand the material conditions which govern their lives.

[P]recisely because relations of personal dependence form the given social foundation, there is no need for labour and its products to assume a fantastic form different from their reality. They take the shape, in the transactions of sociality, of services in kind and payments in kind. The natural form of labour, its particularity - and not, as in a society based on commodity production, its universality - is here its immediate social form. The *corvée* can be measured by time just as well as the labour which produces commodities ...' (Marx 1976, p.170)

By the same token, the patriarchal rural industry of a peasant family is quite capable of converting its various forms of concrete labour into the uniform

¹² Although political economy uses the Robinson Crusoe story to naturalize capitalism - by erasing its historical character - while Marx uses it to de-mystify capitalism - by revealing its natural basis - this does serve to illustrate the degree of overlap between the two approaches.

expenditure of labour-time. 'The fact that the expenditure of the individual labour-powers is measured by duration appears here, by its very nature, as a social characteristic of labour itself, because the individual labour-powers, by their very nature, act only as instruments of the joint labour-power of the family' (Marx 1976, p.171), although it is only with the advent of socialism that the veil of mystification is finally drawn from the countenance of humanity to reveal the underlying 'homogeneity' of labour (*ibid.*, p.173).

Each of these examples, in their different ways, illustrate that labour-duration comprises the basis for comparing the value of use-values in *all* modes of production - whether or not participants are aware of it. To this extent, argues Marx, 'necessity compels' all human beings to conform to the objective laws of production, whether they inhabit a feudal past, a fictitious present, or a socialist future. Capitalism is only different from these other 'modes of production' insofar as this 'natural law' assumes a mystified and mystifying guise which operates 'behind the backs' of participants. In other words, instead of being consciously undertaken by empirical individuals - on the basis of socially necessary 'concrete' labour-time - it is undertaken unconsciously by the 'invisible hand' of the economic system - on the basis of socially necessary 'abstract' labour-time.

DOES ABSTRACT LABOUR WORK?

Since the publication of Bohm-Bawerk's (1896) critique of Marx, following the posthumous publication of Capital Vol. III in 1894, Marxists have been only too aware of the problems which arise from his attempt to link exchange-value to labour-time. For this reason, many Marxists welcomed Rubin's account of abstract labour because it appeared to extricate them from the problems that beset a 'concrete' or 'embodied labour' theory of price-determination. Thus, according to Weeks (1981), Eldred and Hanlon (1981) and de Vroey (1982) the problems

which vitiated Ricardo's labour theory of value can be avoided once it is acknowledged that value-producing labour acquires a socially abstract form under capitalism. This then leads the Rubin school to reject a transhistorical theory of value in favour of a specifically capitalist one.

In support of this view, Dave McNally (1988) argues that under feudalism goods do not exchange on the basis of labour-time but on the basis of traditional conceptions of custom and practice which find their expression in the notion of 'just price'.¹³ By the same token, it is argued that feudal peasants simply lack a notion of homogenous labour-time by which to measure the 'real' worth of things,¹⁴ while the fact that 'labour' itself is integrated into a communal network of traditional life-activities means that it does not exist as an homogenous activity in its own right.

However, members of the Rubin school not only argue that price is not determined by labour-duration in pre-capitalist modes of production, they also argue that labour-duration cannot form the basis for an independent determination of value under capitalism. In order to cut the gordian knot tying a transhistorical notion of concrete labour-time with the specifically historical form of 'value' under capitalism, they sever the *quantitative* connection linking the two. Consequently, while continuing to use the language of 'realization' to describe the process in which labour finds expression in exchange, they effectively reverse the arrow of causation in favour of the way exchange 'socializes' labour (de Vroey 1982, p.40). Thus Himmelweit and Mohun argue 'Only market processes realise the quantitative expression of abstract labour, and

¹³ According to McNally, the feudal notion of 'just price' is transformed by political economy into the notion of 'natural price' which then leads them to search for an independent determinant of 'value' outside the exchange-process (McNally 1988, p.225).

¹⁴ According to E.P. Thompson, it is only with the industrial revolution that modern conceptions of measurement of labour by time come to prevail in the production process (Thompson 1966).

this quantitative expression only has a price-form' (Himmelweit and Mohun 1978, p.84).

By this means, the Rubin school are able to avoid the problems that arise from the attempt to trace the relationship between labour-time in production and price in exchange. Thus, on the one hand, they argue that the series of mediations relating the two is too complex to trace while, on the other hand, they argue that the fact price is determined by socially necessary abstract labour-time means that the amount of value any quantum of labour creates depends on its relation to all other quanta of labour. Given that the only place to compare one form of labour with another is the market, there can be no independent basis for determining value outside exchange.

Having thus set up a clear line of demarcation between embodied and abstract labour theories of value, writers such as Diane Elson (Elson 1979) then argue that it is not labour-duration but money which comprises the 'social standard of measurement'. Thus, on the grounds that '... the object of Marx's theory of value is not price at all ...' (*ibid.*, p.123), Elson argues that it is preferable to describe Marx's 'labour theory of value' as a 'value theory of labour' (*ibid.*). In particular, Elson argues that labour is an indeterminate and fluid activity which only acquires a determinate social form in a specific modes of production (*ibid.*, p.138). In support of this view she quotes Marx's assertion that 'Labour is the living, form-giving fire; it is the transitoriness of things, their temporality, as their formation by living time'.¹⁵ To this extent Marx's 'value theory of labour' is not concerned with the determination of price by labour-time, but rather the

¹⁵ While in Capital Marx writes that 'Living labour must seize on ... things, awaken them from the dead, change them from merely possible into real and effective use-values. Bathed in the fire of labour ... they are indeed consumed, but to some purpose, as elements in the formation of new use-values ...' (Marx 1976, pp.289-90).

determinate form that labour acquires when it is harnessed to the production of capital.

Nevertheless, Elson continues to assume that labour plays a privileged role in the 'production' of value under capitalism. However, as Eldred and Hanlon realize, once the *quantitative* relationship between labour-time and value is broken it is difficult to maintain the existence of a *qualitative* one. 'To leave the determination of magnitude of value to exchange-relations seems to cut the nexus between productive activity and exchange-relations. The prices of commodities would then be completely capricious, arbitrary measurements of the magnitude of value, wholly divorced from the conditions of production' (Eldred and Hanlon 1981, p.43).¹⁶

In order to correct this, Eldred and Hanlon attempt to retain an abstract labour theory of price-determination, but they acknowledge it is '... a mediated one in which the labour performed in the production process has no direct relationship to its acknowledgement as value creating labour ...' (*ibid.*). This problem arises from the fact that there is no *empirical* basis for arguing that value is a product of labour - or indeed that value is a product at all. On the contrary, everything under capitalism points away from labour as the source of value. For this reason Marxist attempts to maintain this relationship tend, as in the case of Elson above, to rely on the assumption that labour is a world-constituting activity in its own right.

The fact that the notion of abstract labour remains tantalizingly undeveloped in Capital - despite the latter's multiple revisions - can then be explained in terms of the equivocal role it plays in mediating between the concreteness of production

¹⁶ The language here echoes that of Hegel when he criticizes Rousseau for failing to acknowledge the role of Spirit in the determination of the general will.

and the sociality of exchange. To this extent, abstract labour comprises a theoretical halfway house between an embodied labour theory of value (*à la* Ricardo) and an exchange-based theory of value (*à la* Say). With the notion of abstract labour, Marx's attempts to combine the ahistorical content of the former with the historical form of the latter. It then permits Marx to range between production and exchange but not, unfortunately, to reconcile them. This can be seen from the fact that far from abandoning Ricardo's attempt to identify labour-time as an independent measure of value, Marx not only argues that labour-duration ultimately determines price under capitalism but also under pre-capitalist modes of production. To this extent the labour-value relation has a transhistorical essence which acquires a fetishized form of appearance under capitalism wherein '... the measure of the expenditure of human labour-power by its duration takes on the form of the magnitude of the value of the products of labour ...' (*op. cit.*).

However, while it is quite legitimate for the Rubin school to argue that only a theory of abstract labour can do justice to a capitalist theory of value, it is not legitimate for them to argue that this is the approach that Marx himself takes. On the contrary, as we have seen, Capital is an ambiguous work which attempts to combine a transhistorical approach to labour with an historical approach to value. By obscuring these tensions the Rubin school abstracts, not only from the difficulties that Marx's labour theory of value runs into, but also from the key dialectic relationship which informs Marx's mature economic writings, namely the relationship between self-objectifying subjectivity, on the one hand, and self-valorizing value on the other.

Thus, insofar as capital appears to be a self-sufficient, self-reproducing, self-propelling entity, all traces of its dependence on purposive labour are lost. It is therefore only by evoking the properties of the 'real', 'actual' or 'simple labour process' that Marx is able to claim that the 'subject' of valorization is not capital

but purposive labour. As such, Marx's claim that all roads lead to labour rests on the prior claim that labour is the universal road builder. If abstract labour is the source of value under capitalism, this is because labour-time is the transhistorical basis for valuing things in all modes of production. This, however, leaves Marx vulnerable to the charge he levels against political economy, namely that his own transhistorical categories are actually expressions of the historically specific form of capitalist sociality which he 'eternalizes' in the process.

OBJECTIFICATION AND ALIENATION

According to our analysis, it is only on the basis of a transhistorical notion of self-objectifying subjectivity that Marx is able to trace exchange-value to the alienated expression of labour under capitalism. The question then arises as to whether Marx is guilty of assigning transhistorical status to what are essentially capitalist social relations. The problem, however, with this line of enquiry is that it assumes that *all* social theories have an actual basis in the historical context in which they arise, whereas it is quite possible that the theoretical tools used to analyze society may only have a contingent relationship to it. Nevertheless, it is possible to identify an overlap between certain features of Marx's notion of self-objectifying labour and the reified character of capitalist sociality. As a first step we shall compare Marx's own theory of 'commodity fetishism' with the theory of self-objectifying subjectivity upon which it rests.

According to Marx's theory of commodity fetishism, under capitalism things become personified and persons become reified (*Versachliche*). This arises from the fact that social relations that have their source in labour in production appear to be embodied in things in exchange. However, when we compare Marx's account of fetishism with his own account of the labour process we find that far from being a unique characteristic of capitalism this is also a property of labour

per se. To this extent, properties which Marx describes as ‘fetishistic’ in relation to capitalism, form the basis for his own transhistorical account of labour.

Thus, according to Marx’s theory of the labour process, purposive labour objectifies itself in things (use-values) and use-values are the material bearers of objective sociality. In which case things not only possess the capacity to ‘objectify’ human purposes, but human purposes are socially objectified in all modes of production. However, this is not dissimilar from Marx’s theory of commodity fetishism insofar as it too argues that under capitalism things embody social relations and social relations acquire an objective form as a consequence. Indeed, it can be argued that it is only insofar as purposive labour possesses the *general* capacity to objectify itself in things, that things possess the capacity embody labour-relations under capitalism. In other words, if things could not embody purposive labour then the latter could not find expression in the social relationships between the former in exchange. As such the ‘personification of objects’ and the ‘objectification of persons’, which Marx describes as fetishistic, is built into his own conception of self-objectifying subjectivity.

Thus, while there are differences between the fetishistic notion that value is an attribute of use-values, and the notion that value is an attribute of the (abstract) labour objectified in use-values, it remains the case that for the latter to occur, human purposes must be able to objectify itself in things. In other words, according to Marx, human intentions can abstract themselves from the social relations in which they are formulated and attach themselves to the objects they help fashion. These objects then pass through a number of further social mediations, such as distribution and exchange, before manifesting the original purposes that went into their creation in production.

The fact that Marx is unable to disentangle his theory of commodity fetishism from his theory of self-objectification suggests that the former is bound up with the latter. To this extent it is possible to accuse Marx of a fetishistic approach to labour insofar as it is embodied in things rather than social relations. But the main consequence is that, for Marx, ‘objectification’ (*Vergegenständlichung*) arises naturally from the transhistorical relationship between human purposes and inanimate objects in the ‘real labour process’, rather than the ‘reified’ (*Versachliche*)¹⁷ social relations which pertain under capitalism.

Nevertheless, there are occasions when Marx does contemplate an alternative conception of ‘objectification’ - one grounded in the historically contingent form of alienation found in capitalism. For example, in The German Ideology, Marx describes capitalism as an ‘... objective power above us, growing out of our control, thwarting our expectations, bringing to naught our calculations ...’ (Marx and Engels 1970, p.54), while in the Grundrisse, Marx argues that having smashed the community of antiquity ‘money’ transforms all production into an ‘objectification’ of the individual (Marx 1973, p.226). These passages hint at an alternative theory of objectification, one based in the way social subjects become separated from sociality and sociality acquires a life of its own over and above its individual bearers. Thus when Marx writes, in the Grundrisse, that exchange relations ‘... confront individuals as an *objective* relation which is *independent* of them ...’ (Marx 1973, p.161), he is indicating that the problem lies neither in the ‘subjectification’ of things nor the ‘thingification’ of subjects, but in the capacity of capitalist sociality to assume an objective form over and above its atomized subjects. Marx continues this theme when he argues that:

... it is an insipid notion to conceive of this merely *objective bond* as a spontaneous natural attribute inherent in individuals and inseparable from their nature ... This bond is their product. It is a

¹⁷ In the Grundrisse, both *Versachlichung* and *Vergegenständlichung* are translated as ‘objectification’ while in Capital, *Versachlichung* is translated as ‘reification’.

historic product. It belongs to a specific phase of their development. The alien and independent character in which it presently exists *vis-à-vis* individuals proves only that the latter are still engaged in the creation of the conditions of their social life, and that they have not yet begun, on the basis of these conditions, to live it. (Marx 1973, p.162)

This, however, presupposes that sociality is not a 'product' of the purposive transformation of nature, but rather a relationship between 'subjects', in which case there is nothing natural about objectified intersubjectivity as it presupposes that subjects are alienated from their own social relations.

If, however, objective sociality is not a transhistorical attribute of labour's metabolic interaction with nature but an historical attribute of capitalist sociality, then what is it about the latter that generates the objectification of sociality? An answer can be found in Marx's assertion that the theories of political economy '... bear the unmistakable stamp of belonging to a social formation in which the process of production has mastery over man, instead of the opposite ...' (Marx 1976, pp.174-175). Here Marx is suggesting that the fetishistic nature of capitalism derives from the fact that human sociality acquires an independent life of its own under capitalism which subjects participants to its objective imperatives. In which case 'alienation' consists, not in the fact that labour objectifies itself in *things* with a life of their own, but that social agents are robbed of their capacity to consciously constitute their own social *relations* by capitalism's self-regulating character. In the next chapter we shall begin by examining Marx's attempt to sustain an independent conception of labour in the face of its subordination to capital, before going on to examine Marx's attempt to reduce the sociality of exchange to labour in production.

CHAPTER THREE:

THE CAPITALIZATION OF SOCIALITY

In the previous chapter, we argued that Marx's pursues two independent but interrelated critical strategies with a potential to conflict. On the one hand, Marx seeks to historicize the categories of political economy in order to de-naturalize its analysis of capitalism, on the other hand, he seeks to uncover the transhistorical conditions of production in general from which to criticize capitalism. However, he can only pursue each strategy to the point where it undermines the other. This leads Marx to develop ever more complex and subtle ways to combine them while never managing to satisfactory resolve the contradictions they subtend. Because Marx is unable to reconcile these antinomies, it is not only possible to interpret his writings in conflicting ways, but also find sufficient textual support to justify these contradictory interpretations. Unfortunately, in this pursuit of 'what Marx really meant', no attempt is made to explain why Marx's writings lend themselves to such diverse interpretations.

The reason why Marx's writings contain such tensions can ultimately be explained in terms of his attempt to ground the critique of capitalism, not in the struggles of 'real' men and women who constitute the labour movement, but in labour's essential powers of self-objectifying subjectivity. Having grounded the principle of self-constitution in self-objectifying labour, Marx can then argue that the whole edifice of capitalism is merely as alienated manifestation of purposive labour. However, this presupposes that 'labour' - as the source, substance and subject of value - possesses an independent existence set apart from the capitalist relations of production it creates. But this, as we have seen, is no easy task because capitalism is driven by a process of 'self-valorizing

value' which is entirely self-dependent and self-regulating.¹ Consequently, while acknowledging the role played by capital in the historical genesis of social labour, Marx argues that capital is merely an alienated expression of self-objectifying labour. In the following section we shall argue that Marx attempts to preserve an independent role for labour in the face of its historical 'capitalization' relies upon a transhistorical conception of labour grounded in the 'real labour process'.

SECTION ONE: THE SOCIALITY OF LABOUR

Our starting point is Marx's theory of commodity fetishism and its assumption that labour only acquires a social form in the process of exchange.

Objects of utility become commodities only because they are the products of the labour of private individuals who work independently of each other. The sum total of the labour of all these private individuals forms the aggregate labour of society. Since the producers do not come into social contact until they exchange the products of their labour, the specific social characteristics of their private labours appears only within this exchange. (Marx 1976, p.165)

Because the individual producers of commodities do not come into contact with each other prior to exchange,² Marx argues that their labours '... do not appear as direct social relations between persons in their work, but rather as objectified (*Sachliche*) relations between persons and social relations between objects

¹ The terms *selbstverwertung* and *verwertung*, which are consistently translated as self-valorization and valorization in the Penguin edition of *Capital* (Marx 1976, p.255), are translated by a variety of phrases in the Lawrence and Wishart edition such as self-expanding value, automatically expanding value, and spontaneously expanded value (Marx 1954, p.152).

² In *A Contribution to the Critique of Political Economy*, Marx argues that 'Commodities are the direct products of isolated independent individual kinds of labour, and through their alienation in the course of individual exchange they must prove that they are general social labour, in other words, on the basis of commodity production, labour becomes social labour only as a result of the universal alienation of individual kinds of labour' (Marx 1970b, p.85).

(*Sachen*)' (Marx 1976, p.166, translation modified).³ Isaac Rubin supports this view when he notes that for Marx 'The comprehensive equalization (through money) of all concrete forms of labour and their transformation into abstract labour simultaneously creates among [the producers] a social connection, transforming private into social labour' (Rubin 1973, p.130).

The notion that the sociality of exchange is a public manifestation of private-labour which lacks a social dimension in production is also echoed by followers of Rubin such as Himmelweit and Mohun who state that 'It is the process of exchange on the market that manifests the social character of individual labour, establishing the social connection between independent commodity producers' (Himmelweit and Mohun 1978, p.233), and Geoff Pilling who argues that '... under commodity production labour is not immediately social; it becomes social labour only through the mediation of the market' (Pilling 1980, p.46). Diane Elson also confirms this suggestion when she argues that, at this stage of his argument, Marx is '... abstracting from the *internal* organisation of each producing unit' (Elson 1979, p.146), although Elson does not believe Marx intends to argue that '... labour as an activity has no social character, and only acquires one *after* its embodiment in commodities' (*ibid.*). Nevertheless, the question remains why is Marx 'abstracting from the *internal* organisation of each producing unit' at this stage of his argument?

According to Ernest Mandel, Marx, in the opening chapters of Capital Vol. I, is not actually analyzing industrial capitalism at all but an historically prior form of 'petty' or 'simple commodity production', in which labour has not *yet* acquired a social form. To this extent, argues Mandel, the presentational form

³ The English translation gives this as 'material [*Dinglich*] relations between persons and social relations between things [*Dingen*] ...' (p.166). However, my German edition gives this as *Sachliche* and *Sachen* (objective and objects). This is important insofar as Marx uses the term *Versachlichung* and not *Verdinglichung* to mean 'reification'.

of Capital mirrors the historical development of capitalism from feudalism, through production for exchange in the absence of capital, to full blown industrial capitalism (Mandel 1976, pp.14-15). In other words, it is capitalism which brings about what Mandel calls 'the objective socialization of labour' (*ibid.*, p.945). However, this would mean that labour does not possess a social character prior to its formation by capital. Although historically implausible there is, nevertheless, some evidence that Marx holds this view, most notably in the chapters which trace the transition from the formal to the real subsumption of labour and the subsequent discussion of it in the 'Results of the Immediate Process of Production' (Marx 1976).

FROM THE FORMAL TO THE REAL SUBSUMPTION OF LABOUR

In his writings on the historical genesis of capitalism, Marx argues that capitalism first establishes its hegemony over exchange - in terms of the commodification of land, labour and the instruments of production - before then going on to subject the labour process to the imperatives of capital. The first stage of this process consists in bringing about 'co-operation' (Marx 1976, Chapter 13). Thus capital is instrumental in bringing together workers such as weavers who were previously '... isolated independent workers or small masters ...' (*ibid.*, p.442). When the worker then '... co-operates in a planned way with others, he strips off the fetters of his individuality, and develops the capabilities of his species' (*ibid.*, p.447).⁴ To this extent capital does appear to socialize what was previously individualistic forms of labour. In the process labour loses its individual character and becomes a social property of capital.

[The worker's] co-operation only begins with the labour process, but by then they have ceased to belong to themselves. On entering the labour process they are incorporated into capital. As co-operators, as

⁴ It is clear from the context that 'individuality' refers here to the previous historical form of handicraft and not to the buying and selling of labour-power.

members of a working organism, they merely form a particular mode of existence of capital. Hence the productive power developed by the worker socially is the productive power of capital. (*ibid.*, p.451)⁵

In other words, the more labour is 'socialized', 'unified' and 'brought into connection' by capital, the more workers lose control over their 'individual functions'. 'These things are not their own act, but the act of the capital that brings them together and maintains them in that situation ... who subjects their activity to his purpose (*ibid.*, p.450).

In the next stage of the process (dating from the middle of the sixteenth to the last third of the eighteenth century), capital brings about the 'Division of Labour' (Marx 1976, Chapter 14). In this chapter, Marx details how the labour process is divided up into smaller and simpler tasks which are then allocated to individual workers. As a consequence, workers are required to undertake a series of repetitive and mindless operations that transforms them into 'crippled monstrosities' (*ibid.*, p.481).

In the third and final stage of 'Machinery and Large-Scale Industry' (Marx 1976, Chapter 15), which Marx equates with the 'industrial revolution', science and technology are applied to production. Workers then lose all remaining control over the labour process so as to transform them into 'living appendages' of machinery. Thus, while the conditions of work under capitalism employ workers '... it is only with the coming of machinery that this inversion first acquires a technical and palpable reality' (*ibid.*, p.548). This then inaugurates a fully capitalized labour process in which the social characteristics of labour become the social property of capital. Commenting on this transformation in the 'Results of the Immediate Production Process', Marx writes that the '...

⁵ In this passage, the previously 'isolated' character of workers could refer to either 'individual isolated labour-power' in the labour market or the fact that they are employed as 'unconnected men'.

social productive forces of labour, or *productive forces of social labour*, came into being historically only with the advent of the specifically capitalist mode of production. That is to say, they appeared as something intrinsic to the relations of capitalism and inseparable from them' (*ibid.*, p.1052).

However, this would suggest that once the capitalization of production has been completed and labour is transformed into labour for capital, then it no longer exists as an independent entity in its own right. In the Grundrisse, Marx follows the logic of his own historical critique of political economy to its conclusion by arguing that:

... the question whether capital is productive or not is absurd. Labour itself is *productive only* if absorbed into capital, where capital forms the basis of production, and where the capitalist is therefore in command of production... Labour, such as it exists *for itself* in the worker in opposition to capital, that is, labour in its *immediate being* separated from capital, is *not productive*.' (Marx 1973, p.308)

This then would suggest that as a process of 'self-valorization' capital is a truly independent process which relies on nothing other than itself to reproduce itself. In other words, it is only insofar as labour is absorbed into capital that it is productive. Consequently, the source of value (insofar as Marx continues to argue that it has a source) must be capital, as labour has no independent existence from the former.

THE SOURCE OF VALUE

We have now arrived at the core of the tension between Marx's concern to trace the historical capitalization of labour and his concern to trace capital to its independent source in labour. In Capital, Marx writes it now appears that the:

... entire development of the productive forces of *socialized labour* (in contrast to the more or less isolated labour of individuals) ... in

the *immediate process of production*, takes the form of the *productive power of capital*. It does not appear as the productive power of labour ... And least of all does it appear as the productive power either of the individual worker or of the workers joined together in the production process. (*ibid.*, p.1024)

Nevertheless, as the language of 'appearances' indicates, Marx has no intention of surrendering his labour theory of value to the productive power of capital. At a similar juncture in the Grundrisse, Marx argues that even when labour has been fully 'objectified' by capital it remains its 'subjective' source. 'The only thing distinct from *objectified* labour is *non-objectified* labour, labour which is still objectifying itself, labour as subjectivity' (Marx 1973, p.272). In other words, while capital may comprise objectified labour, labour retains a subjective identity in the living presence (*Dasein*) of workers. To this extent:

'... *objectified labour*, i.e. labour which is *present in space*, can be opposed, as *past labour*, to labour which is *present in time*. If it is present in time, alive, then it can be present only as the *living* subject, in which it exists as capacity, as possibility; hence as *worker*. The only *use value*, therefore, which can form the opposite pole to capital is *labour*, to be exact, *value-creating, productive labour*. (*ibid.*)

On this basis, Marx then claims that labour as the alienated subject of value comprises capital's independent and self-generating other: 'not-capital' (Marx 1973, p.274).

In Capital, Marx's response to the 'capitalization' of labour is similar, but while retaining the notion that labour comprises the living subjectivity of workers, Marx now argues that it is empirically incarnated in 'individual workers'. Such 'individual workers' at first merely appear to *experience* capital as imposed upon them from outside. 'In fact *collective* unity in co-operation, combination in the division of labour, the use of the forces of nature and the sciences, of the products of labour as *machinery* - all these confront the individual workers as

something *alien, objective, ready-made*, existing without their intervention, and frequently even hostile to them' (*ibid.*, p.1054).

Thus, despite being 'subsumed under capital', workers continue to experience '*their own* social labour' as a hostile force baring down upon them. But what is it that enables 'individual workers' to maintain an independent existence from the capitalist valorization process? The answer, according to Marx, is that 'Labour as a social and natural force does not develop within the valorisation process as such, but within the *actual labour process*' (*ibid.*, p.1056). 'Productive labour - as something productive of value - continues to confront capital as the labour of the *individual* workers, irrespective of the social combinations these workers may enter into in the process of production' (*ibid.*). In other words, the 'use-value' which enable workers to augment value, is something they possess prior to and independently of the capitalist mode of production. Thus, despite comprising the social form taken by labour under capitalism, capital remains dependent on an independent form of labour located within the 'actual labour process'.

In support of this contention Michel Henry argues that '... the very possibility of capitalism, rests upon the subjectivity at work in the production process, upon the existence of a living power ...' (Henry 1983, p.269). Thus, even when labour appears to have been completely subsumed beneath capital - and the properties of the former have becomes the property of the latter - it comprises its subjective source. In other words, it seems that no matter how deeply capital penetrates into the production process, it can never penetrate the underlying material-exchange between purposive labour and nature that comprises the 'real labour process'. On the contrary, purposive labour remains untouched and untouchable by the alienated form of sociality which it originates.

But what manner of subjectivity is this which retains its world constituting powers in the face of its social constitution by capital? It cannot be the 'empirical' subjectivity of actual workers as their purposes have been subordinated to the 'plan', 'will' and 'ideas' of the capitalist (Marx 1976, p.450). It must therefore be a form of transcendental subjectivity which, according to Henry, comprises the condition for the possibility of capital. 'The subjective character of labor results from the fact that it is the actualization of the labor-power, which in its turn is nothing other than the subjectivity of the individual, what in him is most alive, what defines him, what constitutes his personality' (*ibid.*, p.226).

However, insofar as this 'non-economic' form of subjectivity comprises the 'reality of economic reality' (*ibid.*, p.230), labour cannot be said to 'objectify' itself. On the contrary, as the transcendental condition for capitalist sociality the subjective source of capital remains forever independent of its own economic creation. Hence Henry's assertion that 'It is the result of labour that is objective, not the living labour itself which is and remains subjective ...' (*ibid.*, p.210). Henry then uses this formulation to resolve the problem - which to his credit he recognizes - concerning the overlap between the structure of self-objectification and the structure of commodity fetishism (*ibid.*).

However, while we are sympathetic to Henry's interpretation of Marx, we view the suggestion that the edifice of capitalism rests on a form of originary subjectivity, which it can never manifest itself within without becoming corrupted by, along with the radical reduction of capital to subjectivity under the formula ' $c = 0$ ' (*ibid.*, p.265), as the point at which Marx's labour theory of value collapses back into the subjectivist tradition of classical German idealism from which it evolved. But then how else can Marx resist the historicizing tendencies of capitalism to socially form labour in its own image and on the basis of its own

imperatives, without a transcendental conception of subjectivity, grounded in the ‘real labour process’? In the absence of what Habermas calls a ‘subject-centred’ conception of labour (Habermas 1987b), which in common with its idealist ancestry grounds the ‘substance’ of sociality in ‘the power of living subjectivity’, the purposes of workers would be subordinated to capital, and the oppositional form of ‘not-capital’ completely absorbed into self-valorizing value.

Before attempting to develop an alternative conception of ‘not-capital’, we shall first examine the effect of our analysis on Marx’s explanation for the sociality of exchange. As we have seen, Marx’s theory of commodity fetishism rests on the notion that the ‘private labours’ of independent individuals acquire their reified expression in the social relation between things in exchange. However, if labour is socialized in production as capital, then it is not labour as such but its capitalist form which produces commodities. In other words, if labour is not a transcendental form of subjectivity which objectifies itself in things, then it cannot be the source of exchange-value. What the market ‘socializes’ is not, therefore, the ‘private labours’ of ‘independent producers’ but the private capitals of individual firms. As such, the market comprises the process through which individual capitals come into relation with the total capital, and thereby discover whether the products they produce are socially demanded at a price consistent with their profitable production.

SECTION TWO: THE SOCIALITY OF USE-VALUES

According to Marx, the distinction between use-values and exchange-values corresponds to the distinction between material and social substance. Thus, while use-values comprise the commodity’s material content, exchange-value comprises its social form.⁶ Although use-values have a long and important

⁶ Although Marx notes that this distinction is already present within Aristotle’s *De Republica*, *l.i.c.* (Marx 1976, f/n pp.255-6).

history - especially in relation to the means of production - they are not, according to Marx *social* entities in their own right (Marx 1976, p.126).⁷ On the contrary, they are viewed as the ‘material bearers’ of sociality which originate from the purposive labour objectified in them during production.

However, the notion that use-values are merely the material repositories of a form of sociality which contribute nothing towards the sociality of exchange is vulnerable, according to Jean Baudrillard (1988), to Marx’s own historical critique of political economy. Baudrillard therefore criticizes Marx for treating the use-value as an ‘... objective, final relation of intrinsic purpose, which does not mask itself and whose transparency, as form, defies history (even if its content changes continually with respect to social and cultural determinations)’ (*ibid.*, p.64).

Thus, just as Marx accuses political economy of ‘naturalizing’ capitalist sociality by equating its historical form with the material content of production in general, so Baudrillard accuses Marx of retaining a ‘naturalistic’ conception of use-values as the uncorrupted and incorruptible ‘other’ to or ‘limit’ of capital.⁸ ‘Use value is the expression of a whole metaphysic: that of utility. It registers itself as a kind of *moral law* at the heart of the object - and it is inscribed there as the finality of the ‘need’ of the subject’ (*ibid.*, p.67).

Baudrillard is aware that by undermining the independent existence of use-values he is also undermining Marx’s own critical standpoint. Nevertheless, Baudrillard

⁷ In the Contribution to the Critique of Political Economy Marx is most emphatic that:
 ‘To be a use-value is evidently a necessary prerequisite of the commodity, but it is immaterial to the use-value whether it is a commodity. Use-value as such, since it is independent of the determinate economic form, lies outside the sphere of investigation of political economy. It belongs in this sphere only when it is itself a determinate form’ (Marx 1970b, p.28).

⁸ Derrida makes the same point in Spectres of Marx (1994, p.460) without citing Baudrillard’s more extensive critique.

argues against the attempt to ‘... posit the “restitution” of use value, at the end of political economy, under the sign of the “liberation of needs” and the “administration of things” as a revolutionary perspective’ (*ibid.*, p.72-73). On the contrary, Baudrillard advocates jettisoning the notion of a non-alienated realm ‘... entombed beneath exchange value, like the natural harmony of earthly paradise broken by sin and suffering ... inscribed as an invulnerable essence to be disinterred at the last stage of History, in a promised future redemption’ (*ibid.*, p.74).

On what then can we ground the critique of capitalism? In response to this question, Baudrillard argues that ‘We must therefore displace everything into the sphere of the symbolic, where challenge, reversal and overbidding are the law ...’ (*ibid.*). ‘Gone are the referentials of production, signification, affect, substance, history and the whole equation of “real” contents that gave the sign weight by anchoring it with a kind of burden of utility - in short its form as representative equivalence’ (1988, p.125). In other words, with the collapse of the ‘material’ realm of use-values into the ‘social’ realm of utility, capitalist economic hegemony is complete. We must therefore turn to the realm of symbolic exchange where transgressive possibilities continue to thrive.

Needless to say, Baudrillard’s flight from ‘economic’ into ‘symbolic exchange’ is viewed by many Marxists as vitiating his critique of Marx. However, while Kellner seeks to deflect Baudrillard’s analysis away from Marx towards ‘... a specific version of structuralist Marxian anthropology ...’ (Kellner 1989, p.48), it remains the case that even the ‘dialectical and historicist versions’ of Marxism which Kellner views as untouched by Baudrillard’s writings remain vulnerable to

his historicizing approach.⁹ Unfortunately, Baudrillard fails to undertake a systematic critique of Marx's own writings on use-value.

FROM MATERIAL TO SOCIAL USE-VALUES

In the opening sections of Capital, Marx argues that use-values comprise the material content of commodities whose social relations they 'bear'. Thus, according to Marx, use-values are 'realized', without social mediation, in acts of metabolic consumption between individuals and material entities. 'The use-value of a thing is realized without exchange, i.e. in the direct relation between the thing and man ...' (*ibid.*, p.177). However, as Marx's account unfolds he drops the abstractions which support his 'two-fold' approach to commodities. In the first instance Marx acknowledges that 'Commodities cannot themselves go to market and perform exchanges in their own right. We must, therefore, have recourse to their guardians, who are the possessors of commodities' (Marx 1976, p.178).

Nevertheless, the 'guardians' or 'custodians' (*Hüter*) of use-values do not confer social characteristics upon them. This is because '... the characters who appear on the economic stage are merely personifications of economic relations; it is as the bearers (*Träger*) of these economic relations that they come into contact with each other'¹⁰ (*ibid.*, p.179). To this extent individuals in exchange comprise 'personifications' of 'economic relations' whose (objective) sociality is generated elsewhere (i.e. by purposive labour in production).

⁹ On the one hand, Kellner claims that Marx anticipates Baudrillard's critique with his historical conception of human needs (Kellner 1989, p.36) while, on the other hand, he argues that Baudrillard's attempt to historicize human needs renders him: '... unable to articulate standpoints from which one can criticize capitalist society ...' (*ibid.*, p.37).

¹⁰ As Marx's translator notes, the notion that an object or person performs the role of 'the receptacle, repository, bearer (*Träger*) of some thing or tendency quite different from it appears repeatedly in Capital ...' (Marx 1976, f/n, p.179), although no explanation is offered for this.

Nevertheless, use-values do possess a social character insofar as workers ‘... not only produce use-values, but use-values for others, social use-values’ (*ibid.*, p.131).¹¹ But if use-values are social entities in their own right (and not just parasitic upon labour), then what is it that confers sociality upon them? A clue to this can be found in Marx’s assertion that the labour embodied in use-values only counts as socially necessary if it passes the test of exchange. In other words, ‘... the labour expended on [use-values] only counts in so far as it is expended in a form which is useful for others. However, only the act of exchange can prove whether that labour is useful for others, and its product consequently capable of satisfying the needs of others’ (*ibid.*, p.179-80). Thus, given that socially useful labour must be embodied in socially useful things, the process of exchange is vital for determining whether things are socially useful or not.¹² However, this contradicts Marx’s earlier assertion that ‘The use-value of a thing is realized without exchange ...’ (*op. cit.*). It now seems that it is only through exchange that a thing acquires its socially useful status by being brought into relation with ‘the needs of others’.¹³

Once it is acknowledged that use-values are social entities in their own right - which are realized in exchange - then there is no longer any need to trace the sociality of exchange-value to self-objectifying labour in production. On the contrary, we now have a perfectly plausible explanation for the sociality of exchange without recourse to the metaphysics of labour. As Robert Nozick excitedly notes, in the matter of a few sentences Marx undermines his own conception of socially necessary labour and with it the labour theory of value.

¹¹ To which Engels adds not only must the product be a use-values for others, but the product ‘... must be transferred to the other person, for whom it serves as a use-value, through the medium of exchange’ (*ibid.*), although we would add through the medium of *monetary* exchange.

¹² We are assuming here, like Marx, a pure form of market capitalist economy in which all goods and services are produced for exchange, and there is no state intervention to realize ‘social use-values’ in an alternative fashion.

¹³ Cutler *et al.* also argue that ‘Demand/utility has a crucial and hidden place in [Marx’s] theory of value’ (Cutler *et al.* 1977, p.86).

‘*What* is socially necessary, and how much of it is, will be determined by what happens on the market!! There is no longer any labor theory of value; the central notion of socially necessary labor time is *itself defined* in terms of the processes and exchange ratios of a competitive market’ (Nozick 1974, p.260).

Marxists response to Nozick tend to be along the same lines as Hilferding’s response to Bohm-Bawerk insofar as they re-emphasize the peculiar significance of the use-value of labour-power (Kay 1979). Nevertheless, exchange-based theories of value are more plausible because they rely on an empirical conception of self-regarding subjectivity, located in consumer preferences, rather than a transcendental conception of self-objectifying subjectivity, located in production.

THE SOCIALITY OF EXCHANGE

If the sociality of exchange does not derive from labour in production, then an alternative approach to ‘value’ is called for, one capable of acknowledging the role consumers play in bestowing value on things. As we have seen, Marx also acknowledges that things only possess ‘value’ if they are ‘subjectively’ desired by individuals. However, this insight remains undeveloped by Marx, or his followers, because it undermines his labour theory of sociality. Nevertheless, demand plays a key role in determining the social content value.¹⁴

According to neo-classical economics value, rather than expressing the transcendental subjectivity of ‘individual workers’ in production, expresses the empirical subjectivity of individual consumers in exchange. To this extent it arises out of an actual process of *evaluation* through which individuals express their ‘subjective preferences’. Thus, rather than locating subjectivity in the form-

¹⁴ According to Rosdolsky (1977), Marx does acknowledge the role demand plays in the determination of value once he drops ‘a series of simplifying assumptions’ in Capital Vol. III. At this stage in his argument the notion of ‘socially necessary labour’ is a function of supply and demand (*ibid.*, p.90).

giving fire of labour, neo-classical economics locates it in the free-choice of (sovereign) consumers.¹⁵ This has certain advantages over Marx's approach insofar as its conception of individualism is more in keeping with the historical development of market-capitalism.¹⁶ In other words, while neo-classical economics tends to abstract from the historical genealogy of utility-maximizing individuals, its concept of subjectivity has stronger historical foundation than Marx's transhistorical notion of 'individual workers'.

However, if Marx underestimates the role played by subjective-evaluation in the social formation of value, neo-classical economics tends to overestimate it. Hence, the importance of Georg Simmel's (1978) attempt to criticize both Marx's failure to acknowledge the role of *subjective* preferences and neo-classical economics' failure to acknowledge the *objectivity* of value. *Contra* neo-classical economics, Simmel argues that 'Although the individual buys because *he* values and wants to consume an object, his demand is expressed effectively only by an object in exchange. Thus the subjective process which ... create the object as a "value", changes to an objective, supra-personal relationship between objects' (Simmel 1978, p.79). In other words, because a thing must not only be *subjectively* but also *effectively* demanded, consumers must be in possession of the 'objective' means to translate their preferences into a valid form of social demand. Consequently, just as unpurchased goods do not possess utility, so individuals without purchasing power do not possess socially valid needs. Only needs which are rendered 'effective' by money are considered socially valid in a (pure) market-economy.

¹⁵ In this simplified version of neo-classical economics we are abstracting from the key role played by 'entrepreneurs'.

¹⁶ Although Marx is aware that market capitalism generates a modern form of abstract individualism, he fails to apply this to his own conception of subjectivity. Thus, in the Grundrisse, Marx notes that 'The real point is not that each individual's pursuit of his private interest promotes the totality of private interests - the general interest ... The point is rather that private interests is itself already socially determined interests, which can be achieved only within the conditions laid down by society and with the means provided by society ...' (Marx 1973, p.156).

In The Philosophy of Money, Simmel attempts to steer a path between the *abstract objectivism* of Marx's theory of value, and the *abstract subjectivism* of neo-classical economics approach, on the basis of an *interactive* approach to monetary-exchange which contends that '... society is a structure that transcends the individual, but that is not abstract. Historical life thus escapes the alternative of taking place either in individuals or abstract generalities. Society is the universal which, at the same time, is concretely alive' (Simmel 1978, p.101). According to Simmel, an adequate conception of value requires an adequate conception of exchange, while an adequate conception of exchange requires an adequate conception of sociality. Unfortunately Marxism and neo-classical economics both begin from an ungrounded 'subject-centred' approach to sociality. They therefore privilege the intentions of individual subjects (whether purposive labour or consumer preferences) whose unintended affect is to create an objective social system with self-regulating powers, whereas Simmel argues that 'money' is neither an objective nor a subjective entity but a dialectical combination of the two. 'The form taken by value in exchange places value in a category beyond the strict meaning of subjectivity and objectivity. In exchange value becomes supra-subjective ...' (Simmel 1978, p.78).

Simmel then deploys his interactionist approach against Marx's claim that value is embodied in objects prior to exchange on the grounds that, like the Medieval notion of 'just price', Marx assumes that value resides '... in the object as a quality of its isolated existence, with which it entered the act of exchange, regardless of the relations between buyers and seller' (*ibid.*, p.126), whereas for Simmel value only arises in exchange on the basis of subjects effective demand for things. Consequently, there is no difference between 'value' and 'price' in Simmel's account as the former is conferred upon things in exchange on the basis of the latter.

However, this does not mean, as some argue (see Deutschmann below) that Simmel adopts a neo-classical approach to value. On the contrary, Simmel stresses that exchange comprise a social relation *sui generis* which endows value with a supra-subjective character.

The desire and sentiment of the subject is the driving force in the background, but it could not by itself bring about the value-form, which is the result of balancing objects against each other. The economy transmits all valuations through the form of exchange, creating an intermediate realm between the desires that are the source of all human activities and the satisfaction of needs in which they culminate. The specific characteristic of the economy as a particular form of behaviour and communication consists not only in changing *values* but in the *exchange* of values. (Simmel 1978, p.81)

In other words, while Simmel argues against Marx that things are not valorized prior to exchange by purposive labour, he argues against neo-classical economics that exchange is not reducible to the valorization of things by subjective preferences. On the contrary, for Simmel, money mediated exchange comprises a form of social interaction (*Wechselwirkung*) which unites the objective and subjective opponents of value in a dialectical fashion.¹⁷ Thus *contra* neo-classical economics, Simmel argues that exchange is an ‘objective’ process, but *contra* Marx, he argues it includes a ‘subjective’ component based on the preferences of consumers. Rather than adopting either the ‘methodological collectivism’ of Marx’s objective approach to structures, or the ‘methodological individualism’ of neo-classical economics’ subjective approach to agency, Simmel argues that the ‘objectification’ of sociality is dialectically dependent on the ‘subjectivity’ of individuals. ‘If the notion of the personality as counterpart and correlate must grow in equal measure to that of objectivity, then it becomes clear from this

¹⁷ Simmel makes use of the fortuitous overlap in German between interaction and exchange to emphasize his differences with Marxism, and between interaction and effective-exchange to emphasize his differences with neo-classical economics.

connection that a stricter evolution of concepts of objectivity and of individual freedom go hand in hand' (Simmel 1978, p.302).

To this extent the objectivity of sociality is itself a socially specific consequence of the historical emergence of autonomous subjects. Thus, just as the autonomy of the individual is an indispensable condition for the autonomy of the system, so the more individuals are free to pursue their own personal preferences, the more de-personalized the economy becomes. 'The elimination of the personal element directs the individual towards his own resources and makes him more positively aware of his liberty than would be possible with the total lack of relationships. Money is the ideal representative of such a condition since it makes possible relationships between people but leaves them personally undisturbed ...' (Simmel 1978, p.303).

In short, both objectivity and subjectivity are historical products of a monetary-system that dialectically depend on one another. However, unlike Adam Smith who argues that the conjunction of self-regulating markets and self-regarding individuals is a morally beneficial arrangement, Simmel argues that it comprises the very epitome of modern 'reification' (*Versachlichung*).

REIFICATION

As we have seen, Marx views objectification as a process that emerges naturally from subjects in production. Consequently, unlike Hegel, Marx denies that it is matched by an equal and opposite form of 'subjectification' which serves to 'de-externalize' sociality,¹⁸ whereas Simmel argues that monetary-value not only

¹⁸ Michel Henry argues that in the *Grundrisse*, Marx does develop a notion of 're-subjectification' insofar as '... objectified labour ... is torn from the jaws of death only by the action of living subjectivity and only inasmuch as this action never ceases to be realized' (Henry 1983, p.260). However, this does nothing to change the fact that for Marx objective sociality is perfectly natural.

brings about the ‘objectification’ of subjective values but also the ‘subjectification’ of objective values. To this extent, for Simmel, ‘reification’ not only refers to the process whereby sociality acquires an objective character (in the form of an impersonal economic system), but also to the corresponding process whereby sociality acquires a subjective character (in the form of consumer’s personal evaluations).¹⁹ Thus on the objective side of the equation money ensures that ‘... a direct interaction between individuals, becomes crystallized in the form of money as an independent structure’ (*ibid.*, p.175), while on the subjective side of the equation ‘Money ... no matter how much it translates impulsive-subjective modes of behaviour into supra-personal and objective modes, is none the less the breeding ground for economic individualism and egoism’ (*ibid.*, p.437). In short, money simultaneously combines and disorients the objective economic system and the subjective form of individuality in a dialectical fashion.

This, in turn, suggests that Simmel adopts a different relationship to Hegel’s notion of Spirit than Marx. While Marx re-locates the self-objectifying subjectivity of Spirit in labour, Simmel re-locates the capacity of Spirit to dialectically combine objectification and subjectification in money. In other words, unlike Marx’s one-sided appropriation of self-objectification as a transhistorical property of labour, Simmel appropriates both sides of the dialectic and grounds it in the historically specific hegemony of money. In the process, Simmel serves to remind us that Hegel’s Spirit comprises a structure of intersubjectivity whose supra-social form is predicated upon the atomization of individuals in ‘civil society’.

¹⁹ Under the rubric of the ‘objectification of culture’ (*ibid.*, p.459), Simmel argues that modernity not only ‘de-personalizes’ feudal forms of obligation, by making them part of the objective money-system, but also ‘personalize’ individuals by generating new forms of subjective autonomy no longer tied to obligatory moral duties (*ibid.*, p.338).

According to Nigel Dodd (1994), it is Simmel's 'intersubjective' approach to reification which comprises its superiority to Marx's. '[Simmel's] analysis of alienation differs from that of Marx in so far as Simmel focuses above all on interaction, on the relationship between subject and subject, while Marx's approach is rooted in a philosophical anthropology chiefly concerned with the interaction between humans and nature, the relationship between subject and object' (Dodd, p.47).²⁰ This view is endorsed by Peter Beilharz who argues that 'For Simmel, modernity rests upon complexity, difference, dependence, therefore on interdependence and intersubjectivity' (Beilharz 1996, p.27). However, Christoph Deutschmann, writing in the same journal argues that 'Simmel's analysis starts from the premise of a philosophy of consciousness. Philosophically, it unfolds within the neo-Kantian subject-object frame of reference, economically in that of the doctrine of subjective utility' (Deutschmann 1996, p.7). Deutschmann then goes on to argue that it is 'well known' that Marx's approach '... does not start from the individual but from the social subject ...' (*ibid.*).

Although we have little sympathy with Deutschmann's overall interpretation of Marx, his approach to Simmel is indicative of a tension that runs throughout his writings on money and modernity. Thus, while Simmel argues that money is a form of social interaction which simultaneously combines, differentiates and sublates the subjective and objective components of sociality, he also retains a subject-object approach which vitiates the critical potential of his theory of reification. This is evidenced in Simmel's contention that 'Money is perhaps the clearest expression and demonstration that man is a "tool-making" animal, which,

²⁰ As we have seen the notion that money serves to 'reify' sociality is not entirely foreign to Marx, although most examples of this tendency appear in the *Grundrisse*. For example Marx argues that '... the existence of money presupposes the objectification [*Versachlichung*] of the social bond' (Marx 1973, p.160). (In *Capital*, the term *Versachlichung* is translated as 'reification').

however, is itself connected with the fact that man is a “purposive” animal’ (Simmel 1978, p.211).

To this extent Simmel combines an historical approach which equates reification with the monetarization of sociality, with an ahistorical account which equates it with the ‘tool-making’ capacities of the species. In support of this view, Simmel argues that ‘... money is the purest reification of means, a concrete instrument which is absolutely identical with its abstract concept; it is a pure instrument ...’ (Simmel 1978, p.211). Simmel then goes on to argue that money’s capacity to reify sociality is an inevitable consequence of modernity’s capacity to control nature. Thus, in a formulation reminiscent of both Weber and the later Frankfurt School, he argues that ‘reification’ is a consequence of the use of technical means to achieve instrumental ends. ‘If we consider the totality of life, then the control, of nature by technology is possible only at the price of being enslaved in it ...’ (*ibid.*, p.482). From this alternative perspective the ‘reificatory’ character of money appears as an inevitable if tragic consequence of the general ‘objectification of life’ (*Versachlichung des lebens*), which we can only resist by attempting to define those ‘objects which are not meant to be sold’ (Simmel 1978, p.403).²¹

While Simmel’s historical attempt to draw limits to the hegemony of money-exchange is superior to Marx’s transhistorical one it, nevertheless, tends to ignore that the capacity to determine the limits of the economy presupposes the existence of an ‘intersubjective’ realm in which such normative decisions are taken. In other words, Simmel abstracts from the fact that any attempt to limit the reifying effects of money is dependent on the capacity to construct a non-reified form of sociality. To this extent Simmel’s neo-Kantian approach fails, ironically,

²¹ Similar attempts to limit the legitimate sphere of money can be also be found in Michael Walzer (1983), Jurgen Habermas (1987a), and Andre Gorz (1989).

to pay sufficient attention to the (social) conditions for its own possibility.²² Thus Simmel has little to say about the origins of an 'intersubjective' realm in which non-pecuniary forms of social evaluation operate. Instead, he retreats to an essentialist conception of humanity as the other of money.

Thus the domination of the means has taken possession not only of specific ends, but of the very centre of ends, of the point at which all purposes converge and from which they originate as final purposes. Man has thereby become estranged from himself; an insuperable barrier of media, technical inventions, abilities and enjoyments has been erected between him and his most distinctive and essential being. (*ibid.*, p.484)²³

Thus, while Simmel provides a worthwhile corrective to Marx's reductionist approach to the sociality of exchange, his view that history culminates in the 'objectification of culture' foregoes an intersubjective alternative to the latter. This can be seen from Simmel's assertion that socialism is either an atavistic reaction to the 'complete heartlessness of money' (*ibid.*, p.346), or the 'final developmental product of the rationalistic monetary economy' (*ibid.*). What is missing from Simmel's account is any sense of an oppositional form of intersubjectivity with the capacity to heal the dialectic of money and redeem its reification of normativity. But then Simmel also ignores the all important interface between money and labour, along with the efforts of worker's to de-commodify labour in pursuit of a more just form of sociality. Consequently, any attempt to use Simmel's writings to supplement Marx's approach to exchange-value must also seek to supplement Simmel's approach to money through an analysis of its application to labour. With this in mind, we now turn to the pivotal role played by Marx's theory of exploitation to his critique of capitalist sociality.

²² Simmel's decision to include in his list of inalienable property 'businesses and factories' (*ibid.*) says less about the method he employs to determine the limits of the market, and more about the influence of socialist ideas in Germany at the time.

²³ The fact that this definition of humanity contradicts his earlier conception of 'man' the 'tool-maker' only emphasizes the tensions in Simmel's approach.

CHAPTER FOUR: MARX,

MORALITY AND EXPLOITATION

The tension between Marx's historical critique of political economy and his transhistorical critique of capitalism is the key to understanding the debates which continue to rage over Marx's theory of exploitation. Here it appears as a contradiction between; (a) the assertion that exchange is *just* because worker's are paid the value of the commodity they sell to capital and; (b) the assertion that exchange is *unjust* because workers are paid less than the value they produce for capital. In this chapter we propose to explore this tension in terms of the various relationships Marx delineates between labour and its products. For the purposes of exposition we shall distinguish six different forms of relationship.

- (1) the *materio-natural* realm of production in which concrete labour interacts with nature to produce use-values.
- (2) the *materio-social* realm of production in which labour in general objectifies itself in use-values.
- (3) the *transhistorical-social* realm of production in which labour in general objectifies itself as economic sociality.
- (4) the *social* realm of production in which abstract labour objectifies itself in (exchange-)value.
- (5) the *socio-historical* realm of exchange in which 'labour' is sold to capital for a wage.
- (6) the *intersubjectively* constituted property claims that arise from historically emergent social movements.

These admittedly artificial distinctions are, nevertheless, heuristically justified insofar as they help clarify both the range of connections between labour and its products in Marx's writings, and the tensions which exist between them. We shall, in particular, be concerned with the tensions which arise between the 'materio-social' levels 1-3 and the 'historical' level 5 which the 'social' level 4 is formulated to reconcile. However, we begin with a discussion of the relationship between the materio-natural realm (level 1) and the materio-social levels (2 and 3).

NATURAL VERSUS SOCIAL PROPERTY-RIGHTS

Marx's decision to base his critique of capitalism on a labour theory of value was undoubtedly influenced by the work of Ricardian socialists such as Hodgskin, Bray and Ravenstone. They, in turn, were attracted to Ricardo's theory of value because, unlike Adam Smith's 'adding-up' approach, value is determined by labour-time prior to its distribution between the owners of land, labour and capital. The Ricardian socialists then found it relatively easy to convert Ricardo's *quantitative* theory of price-determination into a *qualitative* theory of property-rights.¹ Thus, according to Hodgskin, labour not only determines the *price* at which commodities exchange but also comprises the *source* of material wealth (Rubin 1979). The fact that wealth is then allocated, on the basis of private property, to the owners of the 'factors of production', indicates that workers are 'robbed' of their legitimate property.

In order to finesse this critique, Ricardian socialists presuppose that the role workers play in the production process gives them a 'natural property right' to the 'wealth' (use-values) of society.² Hence Hodgskin's assertion that the present

¹ According to Rubin, Ricardo approach was formulated to legitimate the interests of the emergent industrial bourgeoisie against those of the land-owning class (Rubin 1979).

² This is somewhat different to the Lockean claim that workers have a right to all they have 'mixed their labour with'.

distribution of wealth is ‘... a palpable violation of that *natural law* which gives wealth to labour only ...’ (Rubin 1979, p.347, my emphasis). Against this Marx argues that ‘Labour is *not the source* of all wealth. *Nature* is just as much the source of use values... as labour, which itself is only the manifestation of a force of nature, human labour power’ (Marx 1968, p.315). As a natural force amongst natural forces, human labour is not, according to Marx, the sole producer of use-values. On the contrary, this transhistorical form of ‘concrete labour’ merely helps, along with nature and the means of production, to produce *particular* concrete use-values, whereas the labour that produces value is an historical form of abstract-labour that *universalizes* itself in exchange-value under capitalism.

However, it would be a mistake to think that because concrete labour (level 1) is not the transhistorical source of wealth, that abstract labour (level 4) is a purely historical phenomena. On the contrary, Marx’s claim that abstract labour comprises the source, substance and subject of value rests on a ‘philosophical anthropology’ which views ‘labour in general’ as the transhistorical subject of self-objectification (levels 2 and 3). To this extent, Marx’s historical contention that value is the alienated expression of abstract labour, is predicated on the transhistorical claim that purposive labour objectifies itself in use-values in all modes of production (Marx 1976, p.170).

Nevertheless, while Marx is critical of the Ricardian socialists natural rights approach to labour-entitlement, there is evidence that his own labour theory of value relies on such a notion. We can see this in Marx’s claim that ‘surplus product’ is only possible if labour can produce more in a day than it needs to sustain it for a day. ‘If one day’s work were necessary in order to keep one worker alive for one day, then capital would not exist’ (Marx 1973, p.324).

If, however, only half a working day is necessary in order to keep one worker alive one whole day, then the surplus-value of the product is self-evident, because the capitalist has paid the price of

only half a working day but has obtained a whole day objectified in the product; thus has exchanged *nothing* for the second half of the working day. The only thing which can make him into a capitalist is not exchange, but a process through which he obtains *objectified labour time*, i.e.. *value*, without exchange. (*ibid.*)

In order to establish that surplus-product arises in production (as opposed to exchange), Marx argues that it is the sole product of labour (as opposed to a combination of labour, nature and means of production). To this extent Marx appears to argue that *only* labour possesses the capacity to produce more products than are consumed in its production.³ This is evident in the crucial distinction that Marx then makes between ‘necessary labour-time’ - the time workers spend producing the use-values which reproduce themselves (Marx 1976, p.324), and ‘surplus labour-time’ - the time workers spend working unpaid creating the ‘surplus-product’ (*ibid.*, p.325). Once again Marx appears to assume that labour produces the actual concrete things use-values, rather than the social entitlement to them value.

To this extent Marx renders himself vulnerable to his own critique of Ricardian socialism. Thus, according to Gavin Kitching, if labour is not the sole source of use-values then both nature and the means of production also possess the capacity to produce more use-values than are originally invested in their production (Kitching 1988, pp.100-1). This can be illustrated with reference to a fisherman who uses his hands to catch two fish per day while only needing one fish per day to live. Half his day comprises ‘necessary labour-time’ (catching one fish) and the other half ‘surplus labour-time’ (catching one fish). If we then assume that it takes him one day to produce a net that enables him to catch ten fish per day, the sacrifice of a day’s fishing increases his surplus, day in day out, to nine fish. To this extent the fishing net (cost = two fish) is responsible - at a material level - for

³ This has similarities to Quesnay’s ‘physiocratic’ view that surplus (net) product arises from the difference between the cost of agricultural inputs and the value of agricultural output (Rubin 1979, p.126).

augmenting the fisherman's surplus-product. The fact that he can then rent the net to another in return for seven fish per day is irrelevant to the role played by the net in the augmentation of surplus fish.

However, in order to prioritize the labour of the fisherman over the role of the net in augmenting the production of use-values, Marx argues that the surplus arises solely from the difference between; (a) the amount of time spent reproducing labour (one fish) and; (b) the amount of time that is worked in excess of this (one fish without a net and nine fish with a net). In which case Marx, like his Ricardian predecessors, confuses the *material* capacity of labour (level 1) to 'help' produce use-values with the *social* capacity of labour to establish a right of ownership by 'objectifying' itself in them (levels 2-3).⁴ Thus, if we assume that concrete labour plays no special part in the production of things, then it can play no special part in the augmentation of surplus-products. In which case it is not the materio-natural relationship between labour and products but the materio-social connection which establishes a right of ownership.⁵

Nevertheless, the transition from materio-natural to materio-social remains at the level of the transhistorical insofar as for Marx sociality is a natural product of self-objectifying labour. Thus, even if we were to conclude that workers only 'help' in the production of use-values, it remains the case that the latter also 'objectify' their purposes in the former, which in turn forms the basis for a transhistorical-social right of ownership between 'the immediate producers' and the use-values they 'help' produce in all modes of production. It is this

⁴ Indeed it could be argued - as Marx does with reference to 'primitive communism' - that labour, in the absence of means of production, is incapable of producing a surplus (although this is disputed by Marshall Sahlins 1974), in which case, the very existence of the distinction between 'necessary' and 'surplus labour-time' depends upon the development of the means of production.

⁵ As Marx argues in his Critique of the Gotha Programme: 'Man's labour only becomes a source of use-values, and hence also of wealth, if his relation to nature, the primary source of all instruments and objects of labour, is one of ownership from the start, and if he treats it as belonging to him' (*op. cit.*).

transhistorical-social right that Marx employs to argue that exploitation is common to all modes of production in which a surplus is extracted from workers. 'What distinguishes the various economic formations of society - the distinction between for example a society based on slave-labour and a society based on wage-labour - is the form in which this surplus-labour is in each case extorted from the immediate producer, the worker' (Marx 1976, p.325). To this extent 'surplus-value' is merely an historical expression of the transhistorical form of objectified 'surplus-labour' that exists in all modes of production in which labour is exploited. 'It is important for a correct understanding of surplus-value to conceive it as merely a congealed quantity of surplus labour-time, as nothing but objectified surplus labour, as it is for a proper comprehension of value in general to conceive it as merely a congealed quantity of so many hours of labour, as nothing but objectified labour' (Marx 1976, p.325).

However, Marx not only assumes that workers possess a transhistorical right to all they have laboured upon, he also assumes that this right trumps the historical form of property-rights which prevail in that mode of production. In other words, it is not just that slave-labour and feudal-labour is unjust, in terms of our modern (intersubjectively formulated) normative standpoint; rather Marx is making the much stronger point that it is unjust on the basis of an objective property-right that connects all workers to all the use-values they have laboured upon.

However, while workers have a 'moral' right to all they (help) produce in all modes of production, exploitation is more transparent in some modes of production than in others. For example, feudalism has a less mystificatory character than capitalism insofar that the latter is subject to commodity fetishism. Thus under capitalism 'The wage-form ... extinguishes every trace of the division of the working day into necessary labour and surplus labour, into paid labour and unpaid labour' (Marx 1976, p.680), whereas under feudalism '... the labour of the

serf for himself, and his compulsory labour for the lord of the land, are demarcated very clearly in space and time' (*ibid.*). Consequently, '... every peasant knows that what he expends in the service of his lord is a specific quantity of his own personal labour-power' (Marx 1976, p.170).

This, however, assumes that not only are feudal peasants the real owners of the things they produce, but they know this to be the case irrespective of the complex tapestry of social obligations which legitimate feudal property rights. Against this, Rodney Hilton (1973) argues that medieval peasants tended to accept the lowly station in which 'God had placed them' along with the system of obligations that went with it. Consequently, when peasants did rise up against their social situation, it was usually as a result of the lord having broken some customary arrangements, rather than any insight on their behalf into their objective exploitation (Hilton 1973, p.114). Thus, rather than endorsing Marx's transhistorical approach to ownership, feudal peasants tended to be mired in the historical forms of property right that prevailed at the time. In which case, even if we wish to argue that they possess a legitimate property right to the things they produce, this is not empirically expressed in their own consciousness. On the contrary, this appears to be a case of Marx projecting back upon feudalism an altogether modern sense of property rights, that he then locates in the consciousness of unsuspecting peasants. Finally, it is ironic for Marx to argue that capitalism is more prone to fetishism than feudalism, when his own theory of fetishism is modelled on the obfuscatory nature of religion (Marx 1976).

What is clear from above discussion is that Marx does lay claim to a transhistorical conception of property rights, which establishes a form of materio-social relationship between workers and the use-values they (help) produce. Thus, while property rights have a social dimension for Marx, this takes an 'objective' rather than an 'intersubjective' form, that renders them amenable to

an epistemological as opposed to a normative validity claim. However, this contradicts Marx's assertion that property-rights are relative to the historical context in which they appear. This apparent contradiction has generated a vast literature - much of it concerned to reconcile Marx's transhistorical theory of exploitation with his historical approach to property rights under capitalism.

EXPLOITATION AND EXCHANGE

The controversy over Marx's labour theory of exploitation centres on his attempt to provide his transhistorical conception of the connection between labour and use-values an historical form in keeping with production for exchange under capitalism. The key to this controversy concerns the difference between the value workers produce and the value workers receive from capital. According to Marx, these two amounts are different because they refer to two different things. Thus while workers sell their 'capacity to labour' (*Arbeitsvermögen*) or 'labour-power' (*Arbeitskraft*) to capitalists,⁶ they, on the other hand, come into possession of a 'use-value' with the capacity to create value. In other words, while workers may appear to sell their 'labour' (or more accurately their labour for a given amount of time or 'labour-time') to capital, what they actually sell is their 'capacity to labour' i.e. '... the aggregate of those mental and physical capabilities existing in the physical form, the living personality, of a human being, capabilities which he sets in motion whenever he produces a use-value of any kind' (*ibid.*, p.270).⁷

Like all commodities, the value of 'labour-power' is determined '... by the labour-time necessary for the production, and consequently also the reproduction, of this specific article' (*ibid.*, p.274). As such it '... represents no more than a definite quantity of the average social labour objectified in it' (*ibid.*). To this

⁶ The term *mögen* derives from *möglich*, meaning possible or potential, while the term *Arbeitskraft* is used in German to denote the selling of labour as in the phrase: *seiner Arbeitskraft verkaufen*.

⁷ Note the overlap here between Marx's and the Ricardian socialist's conception of labour as the *physical* producer of use-values.

extent ‘... the value of labour-power is the value of the means of subsistence necessary for the maintenance of its owner’⁸ (*ibid.*). While this introduces a degree of indeterminacy into the value of labour-power - insofar as it contains ‘an historical and moral element’ (*ibid.*, p.275) - as long as capitalists pay workers a wage commensurate with the standards prevailing at the time, they have satisfied the ‘law of equivalence’ which the labour theory of value establishes.

It then follows that workers receive a fair and just wage in exchange for their labour-power based on the ‘objective’ amount of value embodied in the worker. As Marx argues in the Critique of the Gotha Programme ‘Do not the bourgeois assert that the present-day distribution is ‘fair’? And is it not, in fact, the only ‘fair’ distribution on the basis of the present-day mode of production?’ (Marx 1968, p.317). As such, the realm of exchange - which includes the buying and selling of labour-power - comprises:

... a very Eden of the innate rights of man. It is the exclusive realm of Freedom, Equality, Property and Bentham. Freedom, because both buyer and seller, let us say of labour power, are determined only by their free will. They contract as free persons, who are equal before the law. Their contract is the final result in which their joint will finds a common legal expression. Equality, because each enters into relation with the other, as with a simple owner of commodities, and they exchange equivalent for equivalent. Property, because each disposes only of what is his own. And Bentham, because each looks only to his own advantage. (Marx 1976, p.280)

The fact that labour also happens to be the source of value does not in any way affect capital’s entitlement to the products of labour. On the contrary argues Marx:

⁸ There is also the suggestion that the value of labour-power is commensurate with the value consumed in the production process. In other words, the cost of reproducing labour is equal to the cost of consuming labour. However, just as workers need to consume whether they work or not, so leisure also consumes energy that needs to be replenished from the wage.

The owner of the money has paid the value of a day's labour-power; he therefore has the use of it for a day, a day's labour belongs to him. On the one hand the daily sustenance of labour-power costs only half a day's labour, while on the other hand the very same labour-power can remain effective, can work, during a whole day, and consequently the value which its use during one day creates is double what the capitalist pays for that use; this circumstance is a piece of good luck for the buyer, but by no means an injustice towards the seller. (Marx 1976, p.301)

However, Marx then invites us to look behind '... this sphere of simple circulation ... which provide the "free-trade *vulgaris*" with his views, his concepts and the standard by which he judges society of capital and wage-labour ...' (Marx 1976, p.280). We then find ourselves in a world in which 'the physiognomy of our *dramatis personae*' take on a new guise as the '... money-owner now strides out in front as a capitalist ...' while the 'possessor of labour-power' holds back in a timid and frightened fashion (*ibid.*). But it is not just the *power* relations that have changed from one of equality to inequality. In production, capitalists now find themselves in possession of two 'use-values': '... a *specific* form of useful labour, such as tailoring, cobbling, spinning etc.' (Marx 1976, p.681) and '... the *universal* value-creating element ... by virtue of which it differs from all other commodities ...' (*ibid.*). Although capital adequately compensates workers for the use-value of concrete labour - which is embodied in the reproduction costs of labour - it also acquires the use-value of abstract value-producing labour - for which no equivalent is exchanged. It is this second use-value that comprises '... a source not only of value, but of more value than itself' (*ibid.*, p.301). Insofar as capitalists then exploit the capacity of labour to produce value, they also exploit workers, by making them create surplus value - value for which they receive no payment. However, this would suggest that exchange is not at all *fair* but merely a mask behind which workers are duped out of their value-producing capacities.

CAPITALISM AND JUSTICE

According to Joseph McCarney, there is no inconsistency between equivalence in exchange and the extraction of surplus-value once we distinguish between the spheres of exchange and production. 'Marx thinks that capitalist exchange is just according to the relevant conception of justice and that the capitalist appropriation of surplus-value falls outside the field of reference of that conception altogether' (McCarney 1992, p.33).

Thus, while Marx employs an *historical* notion of justice (based in the exchange of equivalence), he considers '... capitalist exploitation to be neither just nor unjust, falling as it does outside the domain of the category of justice' (*ibid.*, p.36). When making use of the value-creating qualities of 'labour' capitalists do not therefore infringe the system's own code of justice. McCarney then finds support for this view in Marx's assertion that 'If ... the amount of value advanced in wages is not merely found again in the product, but augmented by a surplus value, this is not because the seller has been defrauded: it is merely due to the fact that this commodity has been used up by the buyer' (Marx 1976, p.732). And indeed it is possible to find many passages in Marx's writings in which he states that capitalist exploitation is neither just nor unjust, insofar as it falls outside the realm of justice constituted in exchange.⁹

The use-value of labour-power, in other words labour, belongs just as little to its seller as the value of oil after it has been sold belongs to the dealer who sold it. The owner of the money has paid the value of a day's labour-power; he therefore has the use of it for a day, a day's labour belongs to him. (Marx 1976, p.301)

⁹ Thus Marx argues: '... the law of exchange requires equality only between the exchange-values of commodities given in exchange for one another ... it has nothing to do with their consumption ...' (*ibid.*). Consequently, '... surplus-value which costs the worker labour but the capitalist nothing ... becomes the legitimate property of the capitalist' (Marx 1976, p.731).

Nevertheless ‘labour-power’ and ‘oil’ are far from identical. Thus the seller of labour-power, unlike the seller of oil, cannot be detached from their commodity. Consequently, for capital to make use of labour it must also employ the seller of labour-power.¹⁰

In a wide-ranging review of Marx’s writings, Geras (1992) argues that far from being just - or falling outside the domain of justice - the production of surplus value comprises an injustice that Marx also employs to criticize capitalism (*ibid.*, p.53). The question is not, according to Geras, does Marx believe capitalism to be unjust, but by what criteria does he judge this to be the case? Could it be, asks Geras, that Marx criticizes production relations on the basis of exchange relations, in order to demonstrate that capitalism is unable to abide by its own historically constituted principles of justice? This is the position of Alan Ryan who argues that ‘In buying labour-power the capitalist does not violate the rule of “equals for equals”; in *using* labour-power he does ... [C]apitalism is in contradiction with itself, forced to produce in ways that violate the principle of justice which it is simultaneously forced to profess’ (Ryan in Geras 1992, p.46).

However, while there is evidence that Marx does criticize the inequities of production from the standpoint of exchange, *contra* Ryan Geras argues that Marx’s theory of exploitation rests on criteria which not only belong outside exchange but capitalism as well. To this extent, argues Geras, Marx possesses two conceptions of justice: a relativistic one deriving from exchange and a ‘... broader non-relativistic notion of justice implicit in his work and governing some of his most fundamental judgements’ (Geras 1992, p.40). It is on the basis of this non-relativistic standpoint that Marx argues ‘[T]here is only an apparent exchange, since ... the capital which is exchanged for labour-power is itself

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Although an oil-energy theory of surplus products is possible if less energy is needed to extract oil than the energy that oil is capable of generating.

merely a portion of the product of the labour of others which has been appropriated without an equivalent ...' (Marx in Geras 1992, p.49).

From this transhistorical perspective, exchange is no longer viewed as the historical basis for social justice, but rather a 'mere semblance' behind which occurs '... the constant appropriation by the capitalist, without exchange, of a portion of the labour of others ...' (Marx quoted in Geras 1992, p.49). Thus, according to Marx, while 'vulgar economists' are content to record:

... each act of exchange by itself, apart from any connection with the act of exchange preceding it and following it ... the matter looks quite different if we consider capitalist production in the uninterrupted flow of its renewal, and if in the place of the individual capitalist and the individual worker, we view them in their totality, as the capitalist class and the working class confronting each other. But in so doing we should be applying standards entirely foreign [*total fremd*] to commodity production. (Marx 1976, p.732, my insert)

Although the purchase of labour-power by capital may appear to comprise a just relation, insofar as the exchange of equivalents refers to the *reproduction* costs of concrete labour, this merely masks an unjust relation which permits capital to appropriate the *productive* powers of abstract labour. To this extent exchange-value is nothing but an 'illusion' which obscures its real source in labour. 'All the notions of justice held by both the worker and the capitalist, all the mystifications of the capitalist mode of production, all capitalism's illusions about freedom, all the apologetic tricks of vulgar economics, have as their basis the form of appearance ... which makes the actual relation invisible, and indeed presents to the eye the precise opposite of that relation' (Marx 1976, p.680). As such, exchange relations merely obscure the act of robbery by which capital forces workers to produce a surplus for it. Thus, far from accepting the validity of exchange-relations, Marx argues that they are merely an 'illusion' which obscures the real basis for property-rights in production. 'Even if ... equivalent is

exchanged for equivalent, the whole thing still remains the age-old activity of the conqueror, who buys commodities from the conquered with the money he has stolen from them' (Marx 1978, p.728).

To this extent, Marx is forced to abandon his earlier attempts to employ a historical conception of justice (based in exchange), in favour of a 'totally alien' (*total fremd*) transhistorical conception (based in production in general), in order to argue that labour is exploited.¹¹

ALIENATED SELF-CONSTITUTION

Geras's analysis reveals the difficulty that Marx has in reconciling an historical approach to ownership - based in exchange - and a transhistorical approach - based in production. Given their incompatibility Marx must privilege one above the other, and as we have seen he privileges the latter above the former. However, if we peel away the layers of Marx's theory of exploitation we find that what first appears to be a contradiction between different forms of distributive justice comprises a contradiction between different forms of self-constitution.

In the first instance, Marx's theory of exploitation gives rise to a contradiction between the distributive form of justice established by equivalent-exchange - as measured by the socially necessary (abstract) labour-time workers receive in exchange - and the distributive form of injustice indicated by surplus-value - as measured by the unpaid socially necessary (abstract) labour-time workers contribute to capital. Marx resolves this contradiction in favour of the latter by arguing that equal-exchange is a mere 'appearance', 'semblance', or 'illusion' which serves to 'mystify' the real connection between labour and its products.

¹¹ According to Marx it is quite 'irrational' to talk about the 'value of labour' as 'value' is merely the (social) form taken by 'objectified labour' under capitalism. To this extent labour cannot be assigned a value *within* the system because as 'the substance, and the immanent measure of value ...' (Marx 1976, p.677) it falls *outside* the realm it produces.

This, however, means abandoning the contention that the buying and selling of labour-power is a just relationship, in favour of the contention that all value is an alienated objectification of human labour.

This, in turn, indicates that Marx's labour theory of value is not simply a theory of *distribution* as Nancy Fraser (1997) argues,¹² but also a theory of *alienation* as Gould (1978) notes. Underlying the quantitatively unequal distribution of value lies the qualitatively more profound alienation of social labour. To this extent, the power of capital to rob workers of value is predicated upon the power of the former to rob the latter of their capacity to produce sociality. As Brod (1992) notes:

From Hegel, Marx retains the idea that the possession of property as the externalization and objectification of my will is a necessary part of the free development of my personality. Within Marx's system, this conception yields the concept of alienation, where what is wrong with capitalist production is not the violation of some principle of distributive justice but rather the violation of the essence of a free human being. (Brod 1992, p.74)

In which case the most fundamental injustice perpetrated by capital comprises the alienation of humanity from the powers of 'self-constitution' which reside in labour.

Nevertheless, Brod's comparison with Hegel is slightly misleading as there exist important differences between Hegel's and Marx's conceptions of 'externalization'. For Marx, the right of labour to own use-values is established through labour's objectification of itself in value, while Hegel argues that ownership is an intersubjectively mediated right that must be recognized by

¹² While Fraser admits that she is presenting a stylized conception of Marxism in order to make good her analytical distinction between redistribution and recognition she nevertheless writes that the injustice suffered by labour 'is quintessentially a matter of distribution.' (Fraser 1997, p.17)

others in exchange. Consequently, while Marx argues that the social basis for legitimate property-rights is actually 'produced' by labour, Hegel argues that legitimate property-rights arise from the fact that the 'parties *recognize* each other as persons and owners of property' (Hegel 1991, p.103). Thus, insofar as exchange is unjust for Marx it is because workers are not in command of their own objectification process, whereas insofar as exchange is just for Hegel it is because workers freely sell their 'labour-time' to capital.¹³

At the same time, these conflicting accounts of freedom are to be found in Marx's own approach to the 'alienation' of labour. Thus, on the one hand, Marx argues that because workers 'freely' consent to alienate their 'labour' to capital for an agreed period of time, capital has a perfect right to use it for this agreed period. 'The owner of money has paid the value of a day's labour-power; he therefore has the use of it for a day, a day's labour belongs to him' (Marx 1976, p.301). On the other hand, Marx argues, the freedom of worker's to alienate their labour-time to capital is a pure 'illusion' which masks the reality that labour is the alienated source of value.

This 'illusion' arises from the fact that workers do not actually sell 'the value of a day's labour-power' (*op. cit.*), but rather their 'capacity to labour'. In other words, a *potential* activity rather than an *actual* amount of labour-time. 'The use of labour-power is labour itself. The purchaser of labour-power consumes it by setting the seller of it to work. By working, the latter becomes in actuality what previously he only was potentially, namely labour-power in action, a worker' (Marx 1976, p.283). Thus, while it may seem that the justice of exchange is grounded in the freedom of workers to alienate their *labour-time* to capital, it can

¹³ Hegel's approach also rests on a subject-centred conception of sociality. Nevertheless, the transcendental agent of self-constitution (*Geist*) does not render the intersubjective contracts of exchange 'illusory' on its way to becoming actualized in the state, although this then creates a tension between the 'intersubjective' agreements of civil society and the 'objective' conception of the state.

only be grounded in the fact that workers receive a fair exchange for their *labour-power*. Having thus fairly purchased the potential to labour, capitalists are then in a position to set it to work. This, according to Marx, gives rise to a clash of rights between the purchaser who tries to make the working day as long as possible, and the seller who wishes to reduce the working day to a particular normal length (Marx 1976, p.344). 'There is here an antinomy, of right against right, both equally bearing the seal of the law of exchange. Between equal rights, force decides' (Marx 1976, p.344). However, Marx limits this struggle to the struggle to establish the 'normal' length of the working day. As long as labour works for capital and capital makes labour work in excess of the value of labour-power workers remain exploited. This is because value is no mere means to legitimately allocate social property, but rather the legitimate property of self-objectifying labour.

Herein lies the importance of Marx's assertion that labour, as the 'substance, and the immanent measure of value ... has no value itself' (*ibid.*, p.677). In other words, because labour is the source of value it cannot itself have a value, its value is determined by the value it embodies, but this is the value of labour-power not labour-time. Thus, just as labour cannot be fairly paid for its activity, so capital cannot fairly command it. Consequently, while it appears that worker's are 'free' to *alienate* their labour-time to capital, they only possess the freedom to sell their labour-power. By the same token, while it appears that capitalists have purchased an agreed amount of labour-time, labour, as the source, substance and subject of value, remains an *inalienable* property of workers.

If the justice of exchange is a distributive affair, dependent on the buying and selling of labour-power, then the injustice of production arises from the fact that self-objectifying labour is the secret of and animating force behind self-valorizing value. In which case Marx's theory of 'exploitation' does not rest upon a

normative validity claim to the effect that workers *ought* to receive all the use-values they help produce, but rather an epistemological claim to the effect that workers *are* the source of the legitimate right to own property under capitalism. If workers have a socially valid claim to the use-values they help produce, it is because they produce the means of social validation.

By ascribing labour the capacity to constitute itself as the sociality of capitalism Marx can dispense with moral criticisms of the latter. Indeed, Marx dispenses with the capacity to make moral judgements altogether, insofar as he demonstrates that the principles of equality etc., which capitalism establishes in exchange, are merely mystifications that obscure its real content. Having, thus, reduced the intersubjective relations of exchange to the properties of self-objectifying labour, Marx undermines the possibility of building upon the intersubjective freedoms of exchange to create an alternative form of social validity. Any attempt to generate an alternative form of intersubjective property-rights is rendered otiose by the objective property-rights that labour produces in the alienated form of value.

Unfortunately, this formulation bears all the hallmarks of the capitalist form of sociality in which it appears. For all Marx's critical insights into the workings of capitalism, his approach endorses its objectification of sociality (and corresponding subjectification of individuals). Thus, rather than attempting to expand the normative sphere of capitalist sociality in order to 'de-reify' monetary relations, Marx counterpoises an objective morality, grounded in the objective right of labour to own all use-values, to the objectivity of capitalist sociality. In other words, rather than attempting to reveal the normative relations that lie hidden within money-relations, Marx leaves the social form of value unquestioned in order to argue that labour is its secret content.

However, Geras believes Marxists are merely deceiving themselves when they claim not to be engaged in making normative validity claims (Geras 1992, p.67). On the contrary, argues Geras when Marx argues that capitalism exploits workers, he is making a normative validity claim about the injustice of capitalism. By then arguing that this is an objective fact of capitalism, Marx is merely compounding the error by transforming it into an objective morality claim, in line with capitalism's own reification of morality. Hence Benhabib's attempt to re-ground opposition to capitalism in the normative claims of participants as then '... humanity itself would only be a *telos* of struggle and would not refer to a pre-existent subject. Not what the theorist claims to be *the* human interest, but what struggling social actors themselves would come to recognize as their own common goals and desires, would constitute human interests' (Benhabib 1986, p.131).

In other words, it is impossible to determine what is right and wrong, just or unjust, valid or invalid, outside the social context in which such judgements are made. By abstracting the subject of sociality from the form of sociality it creates, Marx not only abstracts from the social and historical context in which social validity claims are made, but also from the social struggles that make his own critical standpoint possible. To this extent, Marx's conception of self-constitution corresponds to what Winfield calls a 'natural will' in which:

... agency does not arise within any enacted practical relation, but rather precedes them all as an irreducible postulate. In other words, its autonomy exists not in virtue of any agreements or institutions, but in a state of nature that is a 'natural' condition precisely by existing independently of the will's self-determination. Since the will itself exists in such a state of nature, being given rather than determined and brought into existence through willing's own act, the state of nature is logically prior to any instituted relations that could be in accord with the freedom of the will. (Winfield 1991, p.92)

Against the notion that 'self-determination' is a transhistorical property of our 'species being', Winfield argues that it is an historical property of our 'social being'. It therefore follows that '... freedom is not a natural or monological potential, but an actual structure of interaction consisting in the interdirected and mutually respected actions of a plurality of wills' (*ibid.*).

On occasions Marx argues that self-constitution is a presuppositionless property of social beings - for example when he asserts that 'human wealth' ultimately comprises the '... absolute working out of [humanity's] creative potentialities, with no presuppositions other than the previous historical development ...' (Marx 1973, p.488).¹⁴ However, a 'presuppositionless' notion of self-constitution is only possible if it acknowledges its own ground in 'previous historical development' (*op. cit.*).¹⁵ Insofar as Marx fails to do this, he is guilty of transforming the historically emergent notion of self-constitution into a natural presupposition of the species. Thus, rather than contrasting capitalism with the principles of self-constitution it is responsible for generating, Marx makes the normative capacity for self-constitution into an ontological capacity of self-objectifying labour.

If Marx can afford to dismiss 'the rights of man' as '... nothing but the rights of a *member of civil society*, i.e. the rights of egoistic man, of man separated from other men and from the community' (quoted in Lukes 1985, p.65), this is because labour remains the true basis of capitalist sociality.¹⁶ However, an immanent critique of the system must begin from the historically developed freedoms which

¹⁴ According to Benhabib, 'This passage expresses in a nutshell the normative ideal underlying Marx's critique of capitalism. Marx's vision is that of an active humanity, dynamic, enterprising, transforming nature and unfolding its potentials in the process' (Benhabib 1986, p.112).

¹⁵ It could be argued that these capacities must have potentially existed in previous societies insofar as they too are the unconscious creations of their participants. However, it is only with capitalism that the self-constitution of sociality becomes a conscious property of participants.

¹⁶ Lukes argues that Marx possesses a 'narrow and impoverished' conception of 'the rights of man' which abstracts from their application to '... a non-egoistic, non-bourgeois forms of life, and their consequent relevance to the struggle for socialism ...' (Lukes 1985, p.65).

capitalism itself generates.¹⁷ In other words, from the principles of *Liberté*, *Egalité* and *Fraternité* which capitalism in its revolutionary hey day forged in opposition to feudalism, but then sought to restrict in line with the procrustean imperatives of the system. Thus, while Marx is right to argue that the ultimate basis for social struggle comprises the struggle for self-constitution, he is wrong to make this a natural property of self-objectifying labour. On the contrary, it is the labour movement, in pursuit of its own welfare aims, which renders the system accountable to its participants.

TOWARDS A NORMATIVE THEORY OF OWNERSHIP

According to Marx, workers have a right to their products because they objectify themselves in them. This right is based not on the fact that workers are the sole producers of use-values, but the fact they are the sole producers of their title of ownership - value. Thus, insofar as value is the basis for the legitimate ownership of things under capitalism, and value is the 'product' of labour, workers have an absolute right to own all the wealth (use-values) they (help) produce. However, if value is not a quasi-naturalistic product of labour, but an intersubjectively mediated form of entitlement that is constituted in and through exchange, then the objective connection between labour and use-values is broken. Any attempt to re-establish this link would have to do so on the basis of intersubjectively constituted normative criteria.

According to Gerry Cohen, it is possible to establish a link between labour and its products without recourse to a labour theory of value. This is because 'Whether or not workers produce value, they produce the product, that which has value' (Cohen 1988, p.226). To this extent whether workers produce value is '... unnecessary to the thesis that labour is exploited' (*ibid.*, p.229). On the contrary,

¹⁷ Marx himself argues on occasions that the proletariat must '... continue the agitation, betrayed by the bourgeoisie ...' (Marx 1974, p.145).

argues Cohen 'The worker continues to look exploited if he creates the valuable thing and does not get all the value of the thing created' (*ibid.*). However, Geras is sceptical that the act of making a thing is an adequate basis for establishing a relationship of ownership. According to Geras, '... the bare fact of having made a thing is no more than an arbitrary relation to that thing, of unclear moral relevance' (Geras 1992, p.60). What is morally relevant, argues Geras, is the fact that 'labour costs effort' (*ibid.*).¹⁸ On this basis, workers are entitled to the products they produce because of the 'effort' expended in their production - an 'effort' for which they receive no 'just reward' (*ibid.*, pp.60-61).¹⁹

This approach claims several advantages over Marx's socio-natural approach to value. In the first place, it accords with worker's own judgement that capitalists appear to do little for the wealth they receive. In the second place, unlike Marx's model which assumes that the rate of surplus value can vary inversely to the worker's experience of oppression, Geras's equation of exploitation and oppression is more in keeping with common sense notions of 'exploitation'. Finally, this theory can be applied to other modes of production without assuming the existence of a transhistorical ontology of labour.

However, 'effort' is a difficult thing to measure. Does it mean that coal miners are more exploited than computer operators? Do coal miners become less exploited (rather than more exploited as Marx argues) when machines lighten their workload? To this extent Geras's conception of 'effort' adds little to the claim that ownership derives from the 'fact of having made a thing'. In this

¹⁸ A similar formulation can be found in Marx when he argues that '... real labour is what the worker really gives to the capitalist in exchange for the purchase price of labour ... It is the expenditure of his life's energy, the realization of his productive faculties; it is his movement and not the capitalists'. Looked at as a personal function, in its reality, labour is the function of the worker, and not of the capitalist' (Marx 1976, p.982).

¹⁹ A similar argument can also be found in Cohen when he distinguishes between workers who produce 'what has value' and capitalists who are not 'labourers in that sense'. Thus, according to Cohen while workers supply labour '... the capitalist supplies capital, which is not a kind of labour' (Cohen 1988, p.227).

respect his approach resembles that of Ricardian socialists such as Hodgskin, who condemns the fact that ‘... labourers must share their produce with unproductive idlers’ (Rubin 1979, p.349), and Bray who claims that ‘Every man has an undoubted right to all that his honest labour can procure him’ (Rubin 1979, p.348).

However, as Geras acknowledges, such ‘rights’ are social relations and cannot be read off from the material relationship between ‘producer and product’. Marx establishes a *social* connection between the two by declaring that the mediating relation of value is itself the product of self-objectifying labour. If we therefore wish to replace Marx’s ontology of labour with a normative theory of social ownership, then we not only require an alternative conception of property-rights, but also an alternative form of sociality in which the former is located. In other words, it is also necessary to acknowledge that alternative claims to ownership are grounded in alternative forms of sociality. This can be seen from Ralph Chaplin’s song ‘Solidarity’ with which Cohen begins his article on exploitation.

It is we who ploughed the prairies, built the cities where they trade,
Dug the mines and built the workshops, endless miles of railroad
laid,
Now we stand outcast and starving, ‘mid the wonders we have made
... (Cohen 1988, p.209)

This not only expresses the right of workers to own the things they have played a part in producing (without presuming a labour theory of value), but it also registers the importance of solidarity in generating such an entitlement.

In the absence of a metaphysical conception of labour, workers are endowed with the capacity to sell their labour-time to capital. Consequently, the capitalist ownership of wealth not only appears legitimate, it is legitimate in terms of capitalist sociality. Marx attempts to circumvent this fact by circumventing its intersubjective basis, but he only succeeds in naturalizing the objectivity of

capitalist sociality. If we therefore reject Marx's rejection of normatively grounded validity claims, the only way to confront the normative validity claims of capitalist property rights is on the basis of an alternative set of normative validity claims.

To this extent Marx and Geras both identify the weakness in capitalist property rights as stemming from their constitution in exchange. However, whereas Geras complains that workers are '... on the wrong end of a system of distributive injustice' (*ibid.*, p.69). Marx complains that they are on the wrong end of a system of social relations that constitutes them as workers. If we then transfer the capacity of social-constitution from self-objectifying labour to the labour movement, then it is possible to redeem Marx's emphasis on production by arguing that before workers can respond to the injustices of distribution, they must respond to the injustices of their production by, as and for capital. In other words, before they can generate an alternative set of property rights, they must generate an alternative form of social solidarity in opposition to capital.

Unfortunately, attempts to reformulate critical theory along normative lines have tended to bypass the role played by workers in re-shaping society. Thus Benhabib's (1986) attempt to provide an intersubjective basis for the emancipatory ethos of self-constitution privileges 'linguistically mediated socialization' (*ibid.*, p.136) at the expense of the economy's capacity to 'instrumentalize' labour (*ibid.*, p.167). Consequently, despite defining critical theory as the transformation of transsubjectivity into intersubjectivity (*ibid.*, p.103), Benhabib's rejection of Marx's 'humanization of the species through social labour' (*ibid.*, p.167), abandons workers to the transsubjective imperatives of the system. In the following chapter we shall investigate the Habermasian source of Benhabib's intersubjective reformulation of critical theory, in order to discover whether its emancipatory ethos can be extended to labour.

PART II

CHAPTER FIVE: COMMUNICATIVE REASON

In the first part of our thesis we sought to identify the tensions which arise from Marx's attempt to ground the historical appearance of self-valorizing value in the transhistorical labour process which comprises its animating essence. Rather than comprising a natural domain from which to criticize the distortions of capitalism, we have argued that Marx's ontology of self-objectifying labour is parasitical upon the capitalist sociality it is designed to critique. In particular, Marx's adoption of self-objectifying subjectivity as the transhistorical ground for self-constitution serves to naturalize both the 'subjectivity' of social agency and the 'objectivity' of social structures. Consequently, rather than viewing 'value' as a form of reified normativity which dirempts agents from their social structures while ensuring the former generate the latter in an unintended fashion, Marx treats value as a non-normative form of sociality to which he opposes a non-normative form of 'scientific' critique.

In recent years, the subject-centred basis for Marx's critique of capitalism has been criticized from an intersubjective perspective. In particular, Jurgen Habermas has sought to transform Marx's subject-centred conception of self-constitution into an intersubjective one in order to ground critical theory in the normative content of modernity. To this end, Habermas seeks to '... transfer the concept of praxis from labour to communicative action' (1987b, p.321). However, because Habermas's normative re-working of self-constitution is limited to the 'symbolically' constituted lifeworld, the 'materially' constituted economic system is placed beyond the redemptive reach of human praxis.

In order to understand Habermas's dualistic account of modernity it is necessary, however, to understand the problems encountered by the tradition from Marx through Georg Lukacs to the Frankfurt School in which he stands. The work of Max Weber is crucial to this tradition, insofar as it is responsible for transforming

the remnants of normativity which cling to Marx's conception of self-objectification, into an instrumental conception of labour as the basis for an objective form of sociality. The next section will therefore examine Weber's seminal critique of Marx and the equally seminal response it drew from Lukacs.

FROM MARX TO LUKACS

Whereas Marx argues that the developing 'forces of production' are destined to liberate humanity from capitalist 'relations of production' (Marx 1976, p.929), Weber argues that the constraining nature of the latter are in fact an indispensable outcome of the former. Thus, the more humanity employs instrumental-reason (*Zweckrationalität*)¹ to dominate nature, the more humanity comes to be dominated by instrumental-reason. This manifests itself as an increasingly 'objectified' form of sociality in which human autonomy is progressively sacrificed to bureaucratic efficiency. Consequently, even if were it were possible to 're-internalize' the economy - via some form of central planning mechanism - it would remain enthral to external structures beyond the control of participants. 'The primary source of the superiority of bureaucratic administration lies in the role of technical knowledge which, through the development of modern technology and business methods in the production of goods, has become completely indispensable. In this respect it makes no difference whether the economic system is organized on a capitalist or a socialist basis' (Weber 1978, p.223).

Thus, unlike Hegel whose notion of 'externalization' (*Entäusserung*) also contains the promise of a redemptive 're-internalization' (*Er-innerung*), Weber's conception of objectified sociality is irredeemable.² To this extent Weber denies

¹ The German term *rationalität* can be translated as efficiency and like the term *rationalisierung* carries the sense of rationalizing, i.e., through time and motion studies etc.

² At one point Weber argues with reference to bureaucratic forms of organization that this 'lifeless machine is congealed spirit (*Geist*)' (Marcuse 1988, p.222).

the validity of Marx's attempt to distinguish between: (1) the natural form of 'objectification' (*Gegenständlichkeit*) which because it arises from labour's purposive transformation of nature is beyond sublation (*Aufhebung*) and; (2) the historical form of 'alienation' (*Entfremdung*) which because it arises from labour's lack of conscious control over its objectification process can be overcome. Although Weber follows Hegel in associating objectification with alienation, he does not believe it can be overcome without undermining the vast increases in technical-efficacy that come with it. Consequently, Weber foresees the Enlightenment promise of emancipation terminating in a bureaucratic 'iron cage' (*stahlhärtes Gehäuse*) it is our fate to build and our tragedy to inhabit (Weber 1992, p.181).

The impact of Weber's sociology on the subsequent development of critical theory lay in its capacity to exploit the tension in Marx's writings between self-objectification and self-alienation - a tension which during the twentieth century has grown into an open conflict between the 'scientific socialism' of the orthodox Communist Party and the 'humanistic' socialism of Western Marxism (Gouldner 1980). However, Weber's transformation of self-objectification into instrumental-reason did not go unchallenged. Having come to Marx via Weber's teachings, Lukacs was well placed to recognize the threat posed by the latter's fatalistic diagnosis of modernity to the former's emancipatory project. To this extent, Lukacs understood that if social *objectification* is an inevitable by-product of augmenting the 'forces of production', then Marx's dream of liberation from capitalism's *alienated* 'relations of production' was unrealizable.

In the essay 'Reification and the Consciousness of the Proletariat' (1971), Lukacs sought to counter Weber's pessimistic elision of objectification and alienation, not by separating them as Marx had done,³ but by viewing objectification as an

3 Marx's Economic and Philosophical Manuscripts were not available to Lukacs until the 1930s.

expression of alienated self-creation. To this end, Lukacs argues that the objective nature of capitalist sociality arises not from the increasing deployment of technical-reason, but the increasing alienation of producers from their own sociality. Lukacs, following Simmel, refers to the modern coupling of objectivity and alienation as 'reification' (*Verdinglichung*). However, unlike Simmel who views reification as an inevitable consequence of modernity, Lukacs argues that it is an historically contingent consequence of the 'autocephalous' nature of capitalist sociality,⁴ which places the autonomy of atomized individuals in opposition to the autonomy of the system they unintentionally produce. To this extent, argues Lukacs:

... the immediate, practical as well as intellectual confrontation of the individual with society... in which for the individual the commodity structure of all 'things' and their character to 'natural laws' is found to exist already in a finished form, as something immutably given - could only take place in the form of rational and isolated acts of exchange between isolated commodity owners. (Lukacs 1971a, p.92)

Thus, as for Simmel, reification refers to both the 'objectification' of sociality and the dialectical 'subjectification' of its individual agents. The agent are consequently fated, argues Lukacs, to '... do no more than look on helplessly while [their] own existence is reduced to an isolated particle and fed into an alien machine' (*ibid.*, p.90). Hence the assertion that '... for the first time in history - the whole of society is subjected, or tends to be subjected, to a unified economic process, and ... the fate of every member of society is determined by unified laws' (*ibid.*, p.92).

In order to provide a solution to the problem of reification, Lukacs returns to the tradition of German idealism, beginning with Kant's attempt to placed self-

⁴ The term 'autocephalous', meaning self-governing, is the term Weber uses to define the modern capitalist economy (Weber 1978, p.63). It has since been superseded by Luhmann's use of the term 'autopoietic'.

constituting subjectivity at the centre of his critical analysis of objective structures. Lukacs then argues that Kant's recourse to a 'transcendental' form of subjectivity, in order to overcome the diremption of 'autonomy' and 'heteronomy', is symptomatic of the alienation of 'empirical subjects' from their own social relations under capitalism. To this extent the 'epistemological doublings'⁵ which characterize Kant's analysis of subjectivity express '... the unresolved, insoluble and ... permanent conflict between freedom and necessity ...' in social reality (*ibid.*, p.124).

Kant's failure to sublate the dialectic of autonomy and heteronomy leads Fichte and then Hegel to seek a more comprehensive conception of reason capable of internalizing its own dirempted ('doubled') parts. 'In contrast to the dogmatic acceptance of a merely given reality - divorced from the subject - they required that every datum should be understood as the product of the identical subject-object, and every duality should be seen as a special case derived from this pristine unity' (*ibid.*, p.123). However, if the heteronomy of the 'objective' world is the creation of an alienated form of self-constituting 'subjectivity', it is then incumbent upon Fichte and Hegel to identify the 'subject' which not only externalizes itself in the world but also 're-internalizes' the world it has produced. In other words '... it is necessary both to discover the site from which to resolve all these problems and to also exhibit *concretely* the 'we' which is the subject of history, that "we" whose action is in fact history' (*ibid.*, p.144).

However, just as Hegel rejects Fichte's self-objectifying 'ego' (*Ich*) as too individualistic, so Lukacs rejects Hegel's World Spirit (*Geist*) as supra-individualistic. Thus, according to Lukacs in Hegel's account:

5 Michel Foucault appears to have independently arrived at a similar verdict some half a century later (Foucault 1970, Chapter 9).

... the spirit of a people only seems to be the subject of history, the doer of its deeds... in fact it is the World Spirit that *makes use of* that 'natural character' of a people which corresponds to the actual requirements and to the idea of the World Spirit and accomplishes it deeds *by means of and in spite of* the spirit of the people. (*ibid.*, p.146)

Lukacs then argues that 'the "we" which is the subject of history' comprises human labour. Unfortunately under capitalism this 'we' is obscured by the fetish character of commodities. Hence the importance of Marx's attempt to reveal show that '... beneath the cloak of the thing lay a relation between men ... beneath the quantifying crust there was a qualitative living core. Now this core is revealed it becomes possible to recognize the fetish character *of every commodity* based on the commodity character of labour power ...' (*ibid.*, p.169).

However, unlike Marx who separates self-objectification from self-alienation, Lukacs argues that the sublation of the latter requires the 're-subjectification' of the former. Thus, insofar as the world only assumes an objective form because it is predicated upon a contemplative form of subjectivity, the more the latter realizes that it is the source of the former the more reification is overcome. In other words, because the proletariat's consciousness '... is not the knowledge of an opposed object but is the self-consciousness of the object *the act of consciousness overthrows the objective form of its object*' (*ibid.*, p.178). By recognizing itself as the producer of capital, the proletariat breaks the spell of commodity fetishism and re-appropriates the 'objective' structures of capitalism for the 'subject of history'.⁶ '... [W]hen the worker knows himself as a commodity his knowledge is practical. *That is to say, this knowledge brings about an objective structural change in the object of knowledge*' (*ibid.*).

⁶ Later in the same essay Lukacs argues that: '... the proletariat represents the true reality, namely the tendencies of history awakening into consciousness' (*ibid.*, p.199). Thus, while the proletariat is seen as the 'subject of history', history is seen as the unfolding of 'objective' tendencies which come together in the 'subject-object unity' of proletarian consciousness.

However, by assuming that a change in worker's consciousness brings about a change in objective reality, Lukacs lays himself open to the charge of 'idealism' (Althusser 1979, p.140). Thus, despite stressing the role of 'party organization' in de-reifying the system, Lukacs was officially condemned by the Fifth Congress of the Comintern for his idealist tendencies. This, coupled with the publication of Marx's Economic and Philosophical Manuscripts (Marx 1975), then leads Lukacs to re-formulate his elision of self-objectification and self-alienation in favour of Marx's distinction between them. Consequently, in the Preface to the German 1967 edition of History and Class Consciousness (Lukacs 1971), Lukacs argues that his attempt to 'out-Hegel Hegel' was a failure because '... when the identical subject object transcends alienation it must also transcend objectification at the same time. But ... to take it back into the subject would mean the end of objective reality and thus of any reality at all' (*ibid.*, p.xxiii).

Lukacs now argues that 'objectification is ... a phenomena that cannot be eliminated from human life in society', on the grounds that 'objectification is a neutral phenomena' which accompanies all human practices (*ibid.*, p.xxiv). To this extent, any attempt to 're-subjectify' the objectivity of sociality 'would mean the end of objective reality' (*ibid.*). However, the failure of History and Class Consciousness to reconcile subjectivity (autonomy) and objectivity (heteronomy), coupled with the rise of Stalinism in the USSR, only seemed to prove Weber's pessimistic conclusion that '... socialism would, in fact, require a still higher degree of formal bureaucratization than capitalism' (Weber 1978, p.225).

FROM LUKACS TO HABERMAS

While Lukacs was unable to resolve the problems created by his attempts to re-incorporate capitalist objectivity into an historically emergent 'subject-object unity', his critical combination of Simmel, Weber and Marx proved highly influential upon Western Marxism and in particular its Frankfurt offshoot. Thus Max Horkheimer, Theodor Adorno and Herbert Marcuse were each, in their different ways, influenced by Lukacs' expansion of Marx's theory of commodity fetishism into a general critique of Occidental rationality. However, it is not the Frankfurt school's earlier subsumption of Weber's fatalistic diagnosis of modernity beneath Marxism's emancipatory conception of material progress, but their later reversal of this schema for which they are best known.⁷ For many, the writings of the 'first generation' are epitomized by Horkheimer and Adorno's The Dialectic of Enlightenment (1972), in which they argue that modern forms of alienation have their primordial source in the struggle of humanity to preserve itself in the face of nature. 'Men pay for the increase of their power with alienation from that over which they exercise their power. Enlightenment behaves toward things as a dictator towards men' (*ibid.*, p.9).⁸ To this extent, argues Habermas, Horkheimer and Adorno sought to '... anchor the mechanism that produces the reification of consciousness in the anthropological foundations of the history of the species, in the form of existence of a species that has to reproduce itself through labor' (Habermas 1984b, p.379).

However, by making capitalism the inevitable expression of instrumental labour, the resulting 'totally administered society' left little room for critical theory. Thus, the more capitalism resembles Weber's 'steel shell' of bureaucratic-domination, the less possible it becomes to find a 'subject' capable of re-internalizing the system. This then leads to what Habermas sees as Horkheimer

⁷ See Goran Therborn's 'The Frankfurt School' in New Left Review No. 63 (1970).

⁸ A stance echoed by Marcuse's contention that: 'Not only the application of technology but technology itself is domination (of nature and men) ...' (Marcuse 1988, p.223).

and Adorno's increasingly desperate search for an uncorrupted 'other', capable of grounding their own critical stance towards the system. A search, which according to Habermas, culminates in Adorno's quasi-Heideggerian notion that the reconciliation of subjectivity and objectivity lies in the 'mimetic' character of high art. According to Habermas, the failure of his Frankfurt predecessor's attempts to overturn the diremption of subjectivity and objectivity lies in their indebtedness to a 'philosophy of consciousness' (Habermas 1984b, p.386). In order to correct this error, Habermas adopts the 'intersubjective turn' of twentieth century philosophy in order to provide critical theory with a normative foundation.

The basic outlines of Habermas's approach are already visible in the essay he writes on the occasion of Marcuse's 70th birthday (19/7/1968) entitled 'Technology and Science as "Ideology"' (1971).⁹ In this essay, Habermas criticizes Marcuse for identifying an instrumental stance towards nature with the domination of humanity *per se*, on the grounds that critical theory is then only possible if we can adopt a non-instrumental relationship to nature, i.e., one in which '... we can encounter her as an opposing partner in a possible interaction' (*ibid.*, p.88). Rejecting Marcuse's attempt to generate such a non-instrumental relationship to nature, Habermas argues that 'symbolic interaction' comprises the only form of opposition to 'purposive-rational action' (*ibid.*).

Habermas then distinguishes between the *purposive-rational action* of 'labour' whose *instrumental* orientation to nature is regulated by *technical rules* (*ibid.*, pp.91-92),¹⁰ and the *communicative action* of 'interaction' whose *ethical* orientation to others is regulated by *consensual norms*. In this way, Habermas

⁹ An earlier essay with this title dating from 1967 appears in the English collection Theory and Practice (Habermas 1973).

¹⁰ A number of writers, such as Thomas McCarthy (1978), have detected similarities between this distinction and one made by Hannah Arendt in the Human Condition (1958).

seeks to overcome Weber's fatalistic entwinement of objectification and alienation by separating 'instrumental labour' from 'communicative action' and locating critical theory within the latter. In other words, while Habermas accepts Weber's thesis that purposive-labour generates an *objective* social system beyond normative redemption, the normative content of modernity is preserved in an *intersubjectivity* constituted form of communicative action.

To this extent Habermas departs from his Frankfurt predecessors in two key respects. On the one hand, he is relatively untroubled by the loss of freedom which accompanies the progressive accumulation of 'instrumental reason' in the system while, on the other hand, he views communicative action as a normative bulwark against the former's tendency to subject human praxis to the technical criteria of efficiency. In other words, by separating the subject-object relations of labour's 'kingdom of means' from the subject-subject relations of symbolic interactionism's 'kingdom of ends', Habermas seeks to limit 'heteronomy' to the former while preserving 'autonomy' within the latter.

To this end, Habermas substitutes Adorno and Horkheimer's *mimetic* orientation to nature for an *intersubjective* notion of 'reciprocal recognition' modelled on George Herbert Mead's theory of 'symbolic interaction' (*ibid.*). 'This means, on the one hand, a change of paradigm within action theory: from goal-directed to communicative action and, on the other hand, a change of strategy in an effort to reconstruct the modern concept of rationality that became possible within the decentration of our understanding of the world' (*ibid.*, p.391-2).

In other words, it is no longer a question of avoiding what Horkheimer and Adorno saw as the inevitable reduction of 'self-reflection' to 'self-preservation', but of endowing the latter with a *normative* character whereby '... the human species maintains itself through the socially coordinated activities of its members'

(*ibid.*). To this extent, Habermas argues, it is possible to avoid the one-dimensional amalgam of objectification and alienation by recognizing that the self-constitution of the species takes two separate routes, one leading through instrumental labour and the other through normative interaction. Thus, the fact that ‘... coordination has to be established through communication - and in certain central spheres through communication aimed at reaching agreement - then the reproduction of the species *also* requires satisfying the conditions of a rationality that is inherent in communicative action’ (Habermas 1984b, p.397).

Habermas is in a position to contrast the objective forms of sociality which are predicted upon instrumental labour’s commitment to ‘self-preservation’, with the intersubjective forms of sociality which are predicated upon a normatively informed conception of language. ‘The utopian perspective of reconciliation and freedom is ingrained in the conditions for the communicative sociation of individuals; it is built into the linguistic mechanism of the reproduction of the species’ (*ibid.*, p.398). In keeping with his dualistic approach to modernity, Habermas then develops a theory of the ‘uncoupling’ of the (economic and administrative) system from the (symbolic) lifeworld in which communicative action is located.

THE UNCOUPLING OF SYSTEM AND LIFEWORLD

The System

In the pre-modern era, the ‘material’ and ‘symbolic’ realms are integrated within an overarching normative order so that ‘... services circulate primarily in the non-economic form of normatively required, reciprocal measures of assistance ... In the non-monetarized economic activities of archaic societies, the mechanism of exchange has so little detached itself from normative contexts that a clear separation between economic and non-economic values is hardly possible’ (Habermas 1987a, p.163).

However, as the capacity of the species to dominate nature develops, there arises an independent economic realm which uncouples itself from the lifeworld (*ibid.*, p.168). In other words, the more developed the 'forces of production' become, the more the social 'relation of production' are transformed into an economic system, ancephalously governed by the 'non-normative steering mechanism' of money. In conjunction with the emergence of the modern self-regulating economy there emerges an administrative state apparatus, which achieves its own independence from the normative lifeworld insofar as it relies on the quasi-instrumental 'steering mechanism' of power. Consequently, the more 'money' and 'power' come to transcend their intersubjective context in the lifeworld, the more linguistically mediated forms of 'social integration' are replaced by non-linguistically mediated forms of 'system integration'. 'Media such as money and power attach to empirical ties; they encode a purposive-rational attitude toward calculable amounts of value and make it possible to exert generalized, strategic influence on the decisions of other participants while *bypassing* processes of consensus-orientated communication' (Habermas 1987b, p.183).

In a process that Habermas refers to as the 'technicization of the lifeworld', the system acquires the capacity to 'ethically neutralize' sociality in the interests of instrumental efficiency (Habermas 1987a, p.310).¹¹ However, whereas Weber viewed this as an all encompassing process of bureaucratization, Habermas argues that the rise of non-normative steering mechanisms is offset by the accompanying rise of a normatively steered lifeworld.

11 The economic system can then be viewed as consisting of three interdependent forms of 'technical reason': (1) the *strategic action* employed by utility-maximizing individuals; (2) the *functional reason* which regulates the economy in an 'autopoietic' fashion and; (3) the *instrumental reason* which institutionalizes the 'purposive' transformation of nature.

The Lifeworld

Alongside of, and in response to, the emergence of a functionally integrated system, there also arises a symbolic lifeworld comprising the latter's non-material residue. Habermas takes the notion of 'lifeworld' (*Lebenswelt*) from Husserl and Schutz, for whom it represents the general background values, beliefs and ideas which make up the intersubjective world of everyday life. To this extent, the lifeworld is both reproduced by participants through their symbolic interactions and comprises an historical resource that transcends them. Habermas then expands their notion of lifeworld to include: (a) the normatively integrated sociality that preceded modernity; (b) the portion of sociality which is 'technicized' by the system without reificatory consequences; and (c) the remaining symbolic sphere in which communicative action emerges. While the lifeworld retains pre-modern residues, Habermas is concerned to emphasize the extent to which its rationalization by the system generates a compensatory form of communicative action, which performs three key 'functions' for the latter. 'Under the functional aspect of *mutual understanding*, communicative action serves to transmit and renew cultural knowledge; the aspect of *co-ordinating action*, it serves social integration and the establishment of solidarity; finally under the aspect of *socialization*, communicative action serves the formation of personal identities' (Habermas 1987a, p.137). These in turn correspond to the structural distinction between 'culture', 'society' and 'personality'.

I use the term *culture* for the stock of knowledge from which participants in communication supply themselves with interpretations as they come to an understanding about something in the world. I use the term *society* for the legitimate orders through which participants regulate their membership in social groups and thereby secure solidarity. By *personality* I understand the competencies that make a subject capable of speaking and acting, that put him in a position to take part in processes of reaching understanding and thereby to assert his own identity. (Habermas 1987a, p.138)

It is then possible to differentiate those aspects of the lifeworld which fall within the private and those which fall within the public sphere.

The institutional core of the private sphere is the nuclear family, relieved of productive functions and specialized tasks socialization; from the systemic perspective of the economy, it is viewed as the environment of *private households*. The institutional core of the public sphere comprises communicative networks amplified by a cultural complex, a press and, later, mass media; they make it possible for a public of art-enjoying private persons to participate in the reproduction of culture, and or a public of citizens of the state to participate in the social integration mediated by public opinion. (Habermas 1987a, p.319)

It is this 'public sphere' that carries the normative hopes of humanity, insofar as it enables participants to reflexively interrogate the background assumptions of their culture through the deployment of 'communicative reason'.

THE EMERGENCE OF COMMUNICATIVE REASON

The notion of communicative reason comprises Habermas's most important reworking of the critical tradition in which he stands. Nevertheless, it groans under the weight of the theoretical burden placed upon it having come to subsume: (1) Rousseau's 'popular sovereignty'; (2) Kant's 'practical reason' (3) Hegel's 'ethical totality' (4) Marx's 'utopia of labour'; (5) Mead's 'symbolic interaction'; (6) Durkheim's 'organic solidarity'; (7) Lukacs's 'subject-object identity'; (8) Pierces's 'communicative community'; (9) Parson's 'culture' and; (10) linguistic theory from Wittgenstein through Austin to Apel. To this extent, communicative reason seeks to combine all the normative counterweights to instrumental reason that have emerged in contradistinction to the subsumption of the lifeworld beneath '... an instrumental attitude toward work interpreted in utilitarian terms' (Habermas 1984b, p.241).

In this way, Habermas seeks to collectivize the normative content of modernity within a set of symbolic procedures whose post-metaphysical ‘ethic of brotherliness’ serves to counterbalance Weber’s (and more recently Foucault’s) one sided association of rationality with instrumental-domination (*ibid.*, p.198). Against Weber’s contention that normative ends lose their ‘objective’ force once they are replaced/displaced by the instrumental ends of the system, Habermas argues that the dissolution of a theologically-based form of substantive morality engendered a new form of procedural morality (*ibid.*, pp.209-215).¹² Thus, in the wake of the system’s emergence ‘... the binding force of moral agreement grounded in the sacred’ is transformed into a mode of ‘... moral agreement that expresses in rational form what was always intended in the symbolism of the holy’ (Habermas 1987a, p.81). In the modern world, ‘Convictions owe their authority less and less to the spellbinding power and the aura of the holy, and more and more to a consensus that is not merely reproduced but *achieved*, that is, brought about communicatively’ (*ibid.*, p.89). In other words, the more the system comes to ‘de-linguistify’ the primordial lifeworld - by making social integration a function of ‘non-normative’ steering mechanisms - the more the ‘linguistification of the sacred’ means that ‘... social integration no longer takes place directly via institutionalized values but by way of intersubjective recognition of validity claims raised in speech acts’ (*ibid.*).

Although Habermas denies that this schema possesses a teleological intent (Habermas 1990, p.210) he, nevertheless, employs an evolutionary thematic to trace the development of communicative reason through a series of ‘problem-solving’ stages culminating in ‘post-conventional morality’ (1990, p.125). To this extent ‘... morality as grounded by discourse ethics is based on a pattern inherent in mutual understanding in language from the beginning ...’ (*ibid.*, p.163). As

¹² In this way Habermas seeks to redeem the original sense of religion from the latin *religare* meaning ‘to bind’ together.

such, communicative reason is seen to realize the possibilities of an 'ideal speech situation' inherent in language orientated towards mutual understanding from the outset.

On attaining its 'post-conventional' stage, participants are no longer engaged in seeking to justify moral beliefs on the basis of traditionally ascribed norms, but rather subject all such 'conventional' norms to the coruscating scrutiny of rational discourse. This, however, makes '... the autonomous justification of morality an unavoidable problem' as the 'very perspective that makes consensus possible are now at issue' (*ibid.*, p.162). Fortunately, the modern problem of 'self-assurance' contains its own solution, as the conditions which render normative justification possible are located within the 'discursive procedure that redeems claims to validity' (*ibid.* 163). Consequently, the threat of 'relativism', which haunts the intersubjective redemption of validity claims, can be avoided by discovering the rules of 'fundamental reciprocity' inherent within the primordial structures of communicative action (*ibid.*). It therefore follows that 'Once a community of believers has been secularized into a community of cooperation, only a universalistic morality can obtain its obligatory character' (Habermas 1987a, p.90).

In short, the transition from a religious to a communicative-based ethic of social regulation is able to realize in secular form the universal and unconditional form of normative integration inherent in sacred forms of social solidarity. To this extent, Habermas's approach to communicative reason is modelled on Durkheim's appropriation of the binding force of the sacred for modern sociality (Durkheim 1965).¹³ In both cases, the authors are concerned to retain the universal, unconditional and quasi-transcendental properties of pre-modern forms

¹³ To this extent, communicative reason also comprises an attempt to preserve in modern guise the ethical claims of religion in terms of both the 'linguistification of the sacred' and the 'causality of fate'.

of morality while foregoing their theological content. However, unlike Durkheim's substantive conception of the *collective conscious*, Habermas's conception of *communicative reason* is a purely procedural affair limited to the dialogical generation of consensus.

The rationality of values underlying action preferences is not measured by their material content but by formal properties ... Only values that can be abstracted and *generalized* into principles, internalized largely as *formal* principles, and applied *procedurally*, have so intensive a power to orient action that they can cut across various particular situations and, in the extreme case systematically penetrate all spheres of life and bring an entire bibliography, or even the history of social groups, under a unifying idea. (1984b, pp.171-172)

To this extent 'communicative reason' is a child of Weberian rationalism, insofar as it eschews any substantive notion of 'the good life' (Habermas 1990, p.178) in favour of formal procedures designed to endow arguments that have successfully navigated its 'tribunal of reason' (the phrase is Kant's) with universal validity.

To this extent 'discourse ethics', as Habermas calls the procedures which transform Kant's 'monological' into a 'dialogical' conception of 'practical reason', seeks to make actual argumentative practices the test of reason. Thus, while retaining Kant's goal of achieving 'a universally valid view of the world' in which what is good for each is in the interests of all (Habermas 1995, p.117), discourse ethics no longer relies on the categorical imperative to ensure that each acts on maxims that comprise rules for all. In its place, Habermas proposes 'an inclusive and non-coercive rational discourse among free and equal participants' that is capable of generating a 'we-perspective' through a Meadian process of 'ideal role taking' in which each adopts the standpoint of the other (*ibid.*).

At the same time, Habermas takes over Kant's trifurcation of reason in the form of separate 'validity spheres', each with its own criteria of evaluation. To this

extent, argues Habermas, modernity is built upon a clear separation between; (a) orientations towards the 'objective world' in which validity claims are judged on the basis of their truth and efficacy; (b) orientations towards the 'intersubjective' (or social) world in which validity claims are judged on the basis of their ethical correctness and rightness; and (c) orientations towards the 'subjective world' in which validity claims are judged on the basis of their sincerity and authenticity (Habermas 1984b, p.84). However, all three remain united by the procedural rules of dialogical redemption. 'Speakers integrate the three formal world-concepts, which appear in the other models of action either singly or in pairs, into a system and presuppose this system in common a framework of interpretation within which they can reach an understanding' (*ibid.*, p.98). To this extent, all three worlds are located within a normatively regulated context presided over by the democratic principles of discourse ethics.

'MEDIATIZATION' VERSUS 'COLONIZATION'

Although the emergence of a system co-ordinated by 'instrumental reason' and a lifeworld co-ordinated by 'practical reason' are 'complimentary developments', they are not in complete harmony. 'Only if we differentiate *Gesellschaftshandeln* into action orientated to reaching an understanding and action orientated to success can we conceive the communicative rationalization of everyday action and the formation of subsystems of purposive-rational economic and administrative action as complimentary developments. Both reflect, it is true, the institutional embodiment of rational complexes, but in other respects they are counteracting tendencies' (Habermas 1984b, p.341).

To this extent the 'uncoupling' of lifeworld and system generates forms of 'complimentary' and 'counteracting tendencies' so that '... the institutions that anchor steering mechanisms such as power and money in the lifeworld could serve as a channel either for the influence of the lifeworld on formally organized

domains of action or, conversely, for the influence of the system on communicatively structured contexts of action' (Habermas 1987a, p.185).

Thus, just as the system subjects the lifeworld to technical-regulation so the lifeworld subjects the system to ethical-regulation.¹⁴ This then creates conflict:

... between, on the one hand, a rationalization of everyday communication that is tied to the structures of intersubjectivity of the lifeworld, in which language counts as the genuine and irreplaceable medium of reaching understanding, and, on the other hand, the growing complexity of subsystems of purposive-rational action, in which actions are coordinated through steering media such as money and power. (Habermas 1984b, p.342)

To this extent modernity finds itself threatened on two sides. On the one side, 'atavistic' social movements ranging (somewhat incongruously) from Marxism to 'religious fundamentalism', seek to dissolve the system into the lifeworld¹⁵ and, on the other side, 'positivistic' forces seek to dissolve the lifeworld into the system in the name of 'instrumental reason'.

However, while both generate 'pathological' consequences, Habermas's reputation as a critical theorist rests on his attempts to protect the lifeworld from the threat posed by the system. A threat that arises at the point at which communicative action no longer benefits from its rationalization by the system but is disadvantaged by its incursions. 'The rationalization of the lifeworld makes possible the emergence and growth of subsystems whose independent imperatives turn back destructively upon the lifeworld itself' (Habermas 1987a,

¹⁴ This finds sociological expression in the tendency of functionalism to dissolve the lifeworld into the system, and interactionism to dissolve the system into the lifeworld.

¹⁵ The annexation of the system by the lifeworld can take various forms, such as a utopian Marxist extension of ethically orientated self-regulation based on praxis philosophy; a neo-conservative extension of aesthetically orientated expressivism that Habermas associates with both Aristotelian communitarians and Heideggerian postmodernism; or a liberal bourgeois extension of symbolic interaction of the sort endorsed by Richard Rorty on hermeneutic grounds (Habermas 1987b).

p.186). Habermas then formulates this in terms of an imperialistic metaphor in which ‘... the imperatives of autonomous subsystem make their way into the lifeworld from the outside - like colonial masters coming into a tribal society - and force a process of assimilation upon it’ (Habermas 1987a, p.355).

This is not, however, an altogether appropriate analogy, given that the ‘tribal’ lifeworld which the ‘colonial’ system invades is only worth protecting from the system because it has already have been rationalized by it. To this extent the rationalization of the lifeworld at first progressive (insofar as it transforms a theologically based substantive morality into a secular form of procedural morality), becomes regressive (insofar as it subsumes ‘practical’ under ‘instrumental reason’), giving rise to ‘pathological consequences’ such as ‘reification’, ‘anomie’, ‘meaninglessness’, ‘loss of freedom’, ‘hedonism’ and ‘distortions’ in communicative action (Habermas 1987a, p.148 and p.325).

The aim of critical theory is not, therefore, to free the lifeworld *per se* from its reified incarceration within a non-normative economic system, but to protect the (rationalized) portion of the symbolic lifeworld from its absorption by the system.¹⁶ In other words, the aim is ‘... no longer to supersede an economic system having a capitalist life of its own and a system of domination having a bureaucratic life of its own but to erect a democratic dam against the colonization of the lifeworld’ (Habermas 1992b, p.444). This, however, raises the question as to *how* one determines the point at which ‘mediatization’ become ‘colonizations’, ‘rationalization’ becomes ‘reifications’ and ‘heteronomy’ threatens to subsume ‘autonomy’.

¹⁶ As Berger (1991) notes for Habermas: ‘... the *site* of reification is *not* the factory, and its source is not a particular form of organization of alienated labour’, but rather ‘... the border between ‘lifeworld’ and ‘system’, and consists in the deformation of lifeworld structures by forms alien to everyday practice’ (p.175).

If bureaucratization has to be viewed, to begin with, as a normal component of modernization processes, the question arises of how to distinguish from this those pathological variants to which Weber referred to with his thesis of a loss of freedom. In order to locate, at least in analytic terms, the threshold at which *the mediatization of the lifeworld turns into its colonization ...* (Habermas 1987a, p.318)

The difficulty with attempting to locate this 'threshold' is that while instrumental reason seeks to universalize its objective standpoint in the name of technical efficacy, practical reason seeks to universalize its intersubjective standpoint in the name of democratic participation.

Nevertheless, according to Stephen Crook, Habermas employs the method of 'rational reconstruction' to '... objectively specify the appropriate balance between spaces and rationalities with reference to a developmental logic' (Crook 1991, p.119). The problem with employing system criteria to determine the scope of the system, however, is that it can only judge the lifeworld on the basis of its capacity to reproduce the system. To this extent the lifeworld is asked to justify practical reason on the basis of functional reason. This in turn leads Habermas to subsume communicative action within a Parsonian form of structural functionalism which judges the validity of the former in terms of system's need for 'mutual understanding', 'coordinating action' and 'socialization' (Habermas 1987a, p.137), whereas if we were to adopt the perspective of the lifeworld, the system would have to justify itself in terms of its capacity to facilitate practical reason. In which case, argues Thomas McCarthy, even questions of social evolution and system complexity '... must on Habermas's own principles, be subordinate to communicative rationalization of life as a measure of progress' (McCarthy 1991, p.133).¹⁷

¹⁷ According to the evolutionary biologist Stephen Jay Gould (1996), not only is it inappropriate to apply evolutionary models to the history of humanity, it is also inappropriate to view biological evolution in terms of a developmental logic.

However, if only the procedures of discourse ethics are capable of generating valid normative rules for human conduct, then Habermas's attempts to employ systems criteria to determine where 'mediatization' ends and 'colonization' begins is invalid. Indeed, insofar as Habermas employs the method of rational reconstruction to determine the limits of the lifeworld he is guilty of by-passing the normative rules of discourse ethics. Habermas's tendency to locate his own standpoint beyond the threshold of discourse ethics is evidenced in his assertion that redeemed validity claims possess a universal legitimacy which transcends the time and place of their redemption.

THE INTERNAL 'COLONIZATION' OF COMMUNICATIVE REASON

In the Philosophical Discourse of Modernity, Habermas writes of his concern to steer '... between the Scylla of absolutism and the Charybdis of relativism ...' (Habermas 1987b, p.300). However, like Odysseus before him (Homer 1992, pp.126-131), Habermas is more concerned to avoid the 'whirlpool' of relativism than the 'monster' of absolutism.¹⁸ For this reason, argues Albrecht Wellmer, Habermas adopts the notion of 'unconditional validity claims' in order to attain '... a standard which transcends each particular language and each particular life-form' (Wellmer 1991, p.164). Thus, according to Habermas, communicative reason is endowed with a 'transcendental moment of *universal* validity' which 'bursts every provinciality asunder' (Habermas 1987b, p.322). Although validity claims must always be raised 'here and now' they possess a capacity which '“*blots out*” *space and time* ...' (Habermas 1987b, p.323),¹⁹ and transforms historically valid ethical 'evaluations' into universally valid 'moral' ones.

¹⁸ In Germany, as in Britain, the Scylla and Charybdis have come to represent two equally unattractive options. However, in the original story Odysseus is advised by Circe to avoid the latter at the expense of passing by the former. The fact that Habermas then associates absolutism with the Scylla and relativism with the Charybdis is, therefore, symptomatic of his tendency to embrace the former in order to circumvent the latter.

¹⁹ The word *tilgt*, translated here as 'blots out', can also be rendered as 'obliterates'.

From whence then does this 'universal' capacity arise? On the one hand, argues Habermas, it is inherent in language orientated towards mutual understanding from the outset, on the other hand, he argues, it is realized when the system rationalizes the lifeworld. To this extent '... the formally organized spheres of action of the bourgeoisie (the economy and the state apparatus) form the foundation of the post-traditional lifeworld of the *homme* (the private sphere) and the *citoyen* (the public sphere)' (Habermas 1987a, p.328). In other words, the capacity of the 'post-traditional lifeworld' to transcend its own historical context forms the basis for discourse ethics to generate a 'post-conventional morality'. Thus while the substantive content of validity claims arises from the parochial lifeworld, the formal rules of discursivity arise from the developmental logic of the system. In which case, it is only when the system rationalizes the lifeworld that a genuinely universalistic form of communicative action arises.

However, this creates a tension in Habermas's approach between the capacity of the system to invest communicative reason with context-transcending powers and the fact that the system negates the autonomy of participants. In other words, the very structures which permit communicative reason to transcend its historical context also ensure that the system transcends the normative claims of its participants. Although Habermas is more cautious than Karl-Otto Apel (1987, p 272) in endowing intersubjective-interaction with the capacity to generate transsubjective-propositions, he is convinced that '... every argumentation, regardless of the context in which it occurs, rests on pragmatic presuppositions from whose propositional content the principle of universalism (U) can be derived' (Habermas 1990, p.82), where 'U' ensures that all claims which pass the dialogical test of discursive procedures are imbued with a 'context transcending validity' (*ibid.*, p.89). In order to support this claim Habermas adopts Apel's view that, in the act of refuting such presuppositions, we cannot avoid employing them. In other words, the inescapability of these discursive rules manifest

themselves in a 'performative contradiction' in which the speaker employs the very rules he is seeking to deny. To this extent '... the existence of performative contradictions helps to identify the rules necessary for an argumentation game to work; if one is to argue at all, there are no substitutes' (Habermas 1990, p.95). However, it is one thing to argue that all participants within a discursive-context 'must' observe certain rules of argumentation if they wish to be considered legitimate interlocutors, it is another to argue that these rules transcend the context in which they are operationalized and are therefore capable of universalizing redeemed validity claims.

Habermas is keenly aware of these problems, especially in relation to Apel's less sensitive handling of them, and argues that the 'must' to which agents are subjected by the rules of discourse comprise only a 'weak transcendental necessitation' rather than the 'prescriptive must of a rule of action' (Habermas 1993, p.81). In which case, the rules of discourse are too weak to compel action, but strong enough to lift redeemed validity claims out of their historical context.²⁰ However, according to Benhabib, it is only possible to extract from an 'ideal speech situation' what has already been put into it (Benhabib 1986, p.292). Consequently, Habermas must have already located a transsubjective core 'beyond time and space' beneath the intersubjective context in which validity claims are redeemed.

Whether this capacity is inherent within communicative reason from the outset, or results from the rationalization of the lifeworld, the fact that the rules of communicative reason possess an objective structure which is not constituted by intersubjectively redeemable validity claim generates, according to Benhabib, a performative contradiction in its own right. In other words, if normative rules are

²⁰ On occasions Habermas translates his ethic of universal agreement into an *apriori* universal fact: 'A cognitivist ethical theory understands the operation of practical reason in purely epistemic terms' (Habermas 1993, p.78).

only legitimate when they have been intersubjectively redeemed by participants, then pre-existing rules (or 'facts of reason' as Habermas following Kant calls them) have, by definition, not been discursively redeemed and must therefore be invalid. In order to escape this performative contradiction, Benhabib argues that we need to acknowledge that '... even the so-called "universal" pragmatic presuppositions of human discourse have a cultural-historical content built into them' (Benhabib 1986, p.306).

Thus, insofar as we are committed to a universalistic perspective it derives from the historical changes wrought by the Enlightenment (*ibid.*, p.306), which sought to apply a set of ethical principles that 'transcend' all 'empirical' differences. To this extent, argues Bernstein '... the force of the claim of universality derives not from its utter universality, its speaking to the unlimited communication community, but rather from the fact that it acknowledges claims which existing universality suppresses; the new universality reveals past universality to be the non-acknowledgement of implicit claims, the reification of an inessential particularity' (Bernstein 1995, p.194). In this way Bernstein not only calls into question the claim of 'utter universality', but also the institutional context upon which it is utterly dependent. Thus, if communicative reason can be said to possess a substantive content '... its force is ... the claim of a radical and participatory democratic polity against the silencings and neutralizations of democratic ideals consequent upon the rationalization of the economy ...' (*ibid.*).

It therefore follows that the universality claimed by communicative reason derives not from the capacity of the system to 'technicize' the lifeworld, but from the capacity of the lifeworld to include all those who are 'silenced' and 'neutralized' by the system. Thus, whereas Habermas argues that the universality of communicative reason is allied to the system's capacity to 'ethical neutralize' the lifeworld, Bernstein argues that it is only possible to operationalize

universalistic principles against the system's 'silencings and neutralizations of democratic ideals' (*op. cit.*). In which case, the universality of communicative action is not realized by the system's capacity to transcend intersubjectivity, but by the lifeworld's capacity to render the system accountable to its participants. In the next chapter we shall investigate this further in relation to Habermas's assertion that communicative reason comprises an 'ethical totality' capable of re-normatizing sociality as a whole.

CHAPTER SIX: RE-NORMATIZING THE SYSTEM

Habermas's key contribution to the tradition of critical theory consists in retrieving a normative conception of self-constitution from its subsumption beneath self-objectifying labour. However, by limiting the scope of normative self-constitution to communicative action, Habermas then excludes workers from the normative content of modernity. Rather than arguing that labour's lack of normative content is a function of its subordination to the system, Habermas argues that the system's lack of normative content is a function of its institutionalization of labour. Nevertheless, it is difficult to reconcile the exclusion of labour from normative consideration with communicative action's inclusive approach to the validation of social regulation. If, as Habermas argues, social regulation is only valid when agreed by those concerned, then workers too have a right to participate in decisions affecting the use of their labour.

To this extent there exists a tension at the heart of Habermas's approach between, on the one hand, the capacity of discourse ethics to stretch 'like a skin around society as a whole' (Habermas 1996, p.409) and, on the other hand, the capacity of the economic system to 'jut out' of the normative lifeworld and thereby render 'holistic concepts of society' (*ibid.*, p.436) redundant. In this chapter we shall explore this tension at greater length in relation to the normative content of labour, beginning with Habermas's critique of Marx.

A REDEMPTIVE CRITIQUE OF MARX?¹

In Knowledge and Human Interests (1972), Habermas argues that Marx's writings contain two competing versions of 'self-constitution': an instrumental

¹ In an interview which appears as the 'Concluding Remarks' to Habermas and the Public Sphere (1992b), Habermas not only declares himself to be a fierce defender of Marxian social theory (p.464) but also 'the last Marxist' (p.469).

version located in the purposive transformation of nature which develops in the forces of production; and a social version located in the relations of production which develops in class struggle. To this extent, argues Habermas, ‘... the self-constitution of the species takes place not only in the context of men’s instrumental action upon nature but simultaneously in the dimension of power relations that regulate men’s interaction among themselves’ (Habermas, 1972, p.51).

Thus, just as the ‘species’ owes its emancipation from ‘external forces of nature’ to the development of ‘technically exploitable knowledge’, so it owes its emancipation from ‘the compulsion of inner nature’ to ‘the revolutionary activity of struggling classes’ (*ibid.*, p.53). Unfortunately, Marx then subsumes the latter within the former to the detriment of labour’s normative content. However, rather than attempting to rescue the normative content of *social* labour from its subordination to *instrumental* action, in his later writings Habermas argues that Marx’s ‘production paradigm’ ‘... screens out of the validity spectrum of reason every dimension except those of truth and efficiency. Accordingly, what is learnt in innerworldly practice can only accumulate in the development of the forces of production. With this productivist conceptual strategy, the normative content of modernity can no longer be grasped ...’ (Habermas 1987b, p.320).

Habermas therefore rejects Gyorgy Markus’s attempt to re-affirm the normative content of labour on the grounds that ‘... the production and useful employment of products has structure-forming effects only for the metabolic process between human beings and nature ...’ (Habermas 1987b, pp.80-1). In contrast to Markus, Habermas argues that an ‘... emancipatory perspective proceeds ... not from the production paradigm, but from the paradigm of action orientated toward mutual understanding’ (*ibid.*, p.82).

Insofar as Marx's notion of labour continues to possess a normative content it derives, according to Habermas, from the pre-modern lifeworld.² On this basis, Habermas argues that Marx's theory of 'revolutionary praxis' comprises an atavistic attempt to '... bring the independent economic process back into the horizon of the lifeworld again, and free the realm of freedom from the dictates of the realm of necessity'³ (Habermas, 1987a, p.352). In support of this view, Habermas argues that Marx's critical strategy consists of opposing a pre-capitalist conception of 'concrete labour' - which derives its normative content from the aesthetic-expressive character of craftwork - to a fully capitalized conception of 'abstract labour',⁴ which is '... indifferent to the natural-material object of use and to the need it satisfies ...[and] to the particular kinds of activity as well as to the working individuals and their social situations' (Habermas 1987a, p.341).

Thus, while Habermas contends that '... the transformation of concrete into abstract labour is a process in which communal and individual life becomes reified' (Habermas 1987a, p.336), he does not believe it is possible to de-reify 'communal and individual life' without undermining the rational structure of modernity. Consequently, Habermas accuses Marx of failing to acknowledge that capitalism's 'abstraction' of labour comprises an evolutionary advance over its 'concrete' predecessor. 'Marx conceives of capitalist society so strongly as a totality that he fails to recognize the *intrinsic* evolutionary *value* that media steered subsystems possess' (*ibid.*, p.339). In contradistinction to which, Habermas argues that the economies transformation of 'concrete' into 'abstract

² In fact, Habermas is far from consistent in this as he also argues that Marx '... unmasked the humanistic self-understanding of modernity by suing for the normative content of bourgeois ideals' (Habermas 1987b, p.282).

³ Habermas accuses Marx of dreaming of a future society in which '... the objective semblance of capital has dissolved and the lifeworld, which has been held captive under the dictates of the law of value, gets back its spontaneity ...' (*ibid.*, p.340).

⁴ To this extent, Habermas conflates Marx's productivist notion of 'abstract labour' in the Grundrisse, with the exchange based notion that supersedes it in Capital (Rubin 1973).

labour' comprises '... a higher and evolutionary advantageous level of integration by comparison to traditional societies ...' (*ibid.*, p.339). For this reason Habermas advocates the abandonment of Marx's backward looking labour-based critique, in favour of a forward looking communication-based one which can clearly '... distinguish the destruction of traditional forms of life from the reification of posttraditional lifeworlds' (*ibid.*, p.340). Habermas then concludes his critique of Marx by arguing that 'In an extensively rationalized lifeworld, reification can be measured only against the conditions of communicative sociation, and not against the nostalgically loaded, frequently romanticized past of premodern forms of life' (*ibid.*, p.342). Having thus transferred the normative content of modernity from 'the revolutionary activity of struggling classes' (*op. cit.*) to arguments over validity claims, Habermas then re-iterates Weber's contention that '... the abolition of private capitalism would not at all mean the destruction of the iron cage of modern industrial labour' (*ibid.*, p.340).

However, in order to deny that Marx's notion of labour possesses a modern form of normative content, Habermas presents a one-sided and often erroneous interpretation of Marx. Thus, far from criticizing capitalism from the standpoint of feudalism, Marx not only celebrates the former's dissolution of the latter, but also the key role played by capital in facilitating the collectivization of labour.⁵ Thus, in The Manifesto of the Communist Party, Marx famously portrays capitalism as a revolutionary force wakening the forces of production from their slumbers and throwing off the parochialism of feudal social relations. 'The bourgeoisie, wherever it has got the upper hand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the motley feudal ties that bound man to his "natural superiors", and has left remaining no other nexus

⁵ Weber also argues that the discipline of the factory gives rise to the possibility of socialism (in Marcuse 1988, p.213).

between man and man than naked self-interest, than callous “cash payment” ’ (Marx 1952, p.44).

Although Marx concedes that the proletariat, in the early stages of its development, may seek ‘... to restore by force the vanished status of the workman of the Middle Ages’ (*ibid.*, p.54), once workers have been collectivized by the bourgeois factory system, they then exchange the nostalgia of the past for the anticipation of a future built on the ruins of present day capitalism. It is therefore incorrect to argue that Marx’s approach is atavistic when he regards socialism as necessary to liberate the forces of production from their capitalist fetters.

However, the main error in Habermas’s critique of Marx concerns his interpretation of the latter’s notion of abstract labour. While it is the case that abstract labour comprises a specifically capitalist form of social labour, it also comprises, for Marx, the activity through which the species constitutes itself socially. To this extent it is not concrete use-value forming labour, but abstract value-forming labour which comprises the vehicle for self-objectifying subjectivity. Thus, rather than opposing a traditional form of expressive-labour to a modern form of instrumental-labour, Marx opposes the capacity of labour to generate sociality to the alienated form this takes when labour works for capital. The tension in Marx’s approach is not between concrete and abstract labour but rather between the value-creating capacities of abstract labour and the socially emancipating achievements of the labour movement. In other words, between precisely those two forms of self-constituting labour which Habermas identifies in his early writings.

The opposition between these two versions of self-constitution arises from the fact that while abstract labour is the basis for self-objectifying subjectivity, the labour movement is the basis for transforming capitalism into ‘... an association,

in which the free development of each is the condition for the free development of all' (*ibid.*, p.76). Thus, while the former underwrites a purely objective account of sociality which permanently renders sociality external to its social agents, the latter is concerned to subject the objective structures of capitalism to the democratic planning of its participants. To this extent, Marx's notion of self-objectifying labour conflicts with his depiction of the working class as the agent of its own emancipation (Marx 1974, p.82).

However, rather than taking issue with Marx's subordination of the labour movement to a notion of self-objectifying subjectivity which mirrors capital's objectification of sociality, Habermas uses Marx's conception of self-objectification to legitimate its subordination to capital. Habermas then declares labour to be a purely instrumental activity devoid of intersubjective content, which can be quite legitimately subordinated to capital without normative injury. Nevertheless, Habermas's instrumental conception of labour conflicts with his critique of subject-centred reason. Thus, the more Habermas argues that communicative reason is designed to replace an 'exhausted' subject-centred approach to sociality, the more the former must possess the capacity to sublate the former. To this end, Habermas announces that communicative reason is a successor to Hegel's 'ethical totality' that views the diremptions of modernity as expressions of a 'damaged intersubjectivity'.

DIREMPTIONS AND EXCLUSIONS

In response to those authors who have prematurely bid farewell to the 'dialectic of enlightenment' (Habermas 1987b, p.86), Habermas contrasts Hegel's *diremption* to Nietzsche's *exclusion* model of reason. 'Whereas the *diremption model* of reason distinguishes solidary social practice as the locus of a historically situated reason in which the threads of outer nature, inner nature and society converge, in the *exclusion model* of reason the space opened up by utopian

thoughts gets completely filled in with an irreconcilable reason reduced to bare power' (Habermas 1987b, p.306). Thus, while the diremption model views the antinomies of modernity as expressions of an alienated form of ethical totality (*Sittlichkeit*); the exclusion model seeks to rescue the other of instrumental reason from its subordination to the latter. In other words, whereas the diremption model seeks to generate 'a more far-reaching and *comprehensive* reason' (*ibid.*) capable of sublating the 'division' (*Entzweiungen*)⁶ between instrumental reason and its expressive other, the exclusion model seeks to valorize the latter, whether in the form of Nietzsche's cult of Dionysus, Heidegger's world-constituting 'Being', Bataill's notion of 'heterogeneity', Derrida's originary notion of difference, or Foucault's 'the body and its pleasures'.

Habermas then rejects Kantian attempt to define the limits of reason in favour of '... a horizon of reason reaching beyond this drawing of boundaries' (*ibid.*, p.302). To this end, Habermas seeks to locate the validity spheres of 'outer nature, inner nature and society' (*ibid.*) within a 'solidary social practice' modelled on Hegel's 'ethical totality' (Habermas 1987b, p.316). Thus while retaining '... its purely procedural character as disburdened of all religious and metaphysical mortgages' communicative reason is viewed as '... directly implicated in social-life processes insofar as acts of mutual understanding take on the role for coordinating action' (Habermas 1987b, p.316).

However, rather than seeking to re-internalize the economic system within the participatory lifeworld, Habermas seeks to incorporate the lifeworld within a systems-theoretic approach to self-constitution. Consequently, the comprehensiveness of communicative reason derives, not from its capacity to render the system accountable to intersubjective validity claims, but from its

⁶ The term is more commonly translated as 'diremption', although Benhabib (1986) translates it as 'bifurcation'.

capacity to act as a ‘... medium through which the lifeworld as a whole is reproduced’ (Habermas 1987b, p.299). To this extent, the universality of communicative reason arises from its capacity to perform essential functions for ‘lifeworlds in general’. However, this means adopting a systems-theoretic approach in which ‘... interaction participants ... no longer appear as originators who master situations with the help of accountable actions, but as the *products* of the traditions in which they stand ...’ (*ibid.*). A similar change of perspective can be found in The Theory of Communicative Action Vol. II. ‘These reflections suggest a change of method and of conceptual perspective, namely an objectivating view of the lifeworld as a system ... Survival imperatives require a functional integration of the lifeworld that takes effect in and through the symbolic structures of the lifeworld and cannot be grasped directly from the perspective of participants’ (Habermas 1987a, pp.348-49).

However, far from overcoming a subject-centred conception of reason, this only serves to exchange the micro-subject of individual agents, for what Benhabib calls an ‘anonymous species-subject’ that ascribes the ethical-interests of humanity to the self-reproducing characteristics of the system. To this extent, argues Benhabib, Habermas’s comprehensive conception of reason draws its power from a ‘collective singularity’ rather than ‘the experience of moral and political activity from which a genuine “we” can emerge ...’ (Benhabib 1986, p.331). ‘Habermas reverts to the discourse of the philosophy of the subject at those points in his theory when the reconstruction of the species competencies of an anonymous subject - humanity as such - does not remain merely an empirically fruitful research hypothesis, but assumes the role of a *philosophical narrative* of the formative history of the subject of history’ (*ibid.*, pp. 330-1). Thus, despite criticizing Nietzsche *et al.* for the ‘destructive manner’ in which they argue that ‘... the embodied, speaking and acting subject is not master in its own house ...’ (Habermas 1987b, p.310), but rather ‘... dependent upon

something prior, anonymous and transsubjective - be it the dispensation of Being, the accident of structural formation, or the generative power of some discourse formation ...' (*ibid.*). Habermas now subsumes the intersubjective lifeworld within a transsubjective system which makes the self-constitution of the former a functional component of the latter.

However, this is not the most dramatic reversal that Habermas's search for a comprehensive conception communicative reason undergoes. On the contrary, in one of the strangest passages to be found in Habermas's work, he then argues that communicative reason comprises a 'disenchanted' version of Hegel's 'unfathomable causality of fate' (Habermas 1987b, p.316). In pursuit of this putatively 'disenchanted' version, Habermas then associates Hegel's 'causality of fate' with the Judaic notion of a 'covenant between Yahweh and the people of Israel ...' on the grounds that sociality is constituted by a 'dialectic of betrayal and avenging force' (*ibid.*, p.325). To this end, Habermas quotes Klaus Heinrich's assertion that:

Keeping the covenant with God is the symbol of fidelity; breaking this covenant is the model of betrayal. To keep faith with God is to keep faith with life-giving Being⁷ itself - in oneself and others. To deny it in any domain of being means breaking the covenant with God and betraying one's own foundation ... Thus betrayal of another is simultaneously betrayal of oneself; and every protest against betrayal is not just protests in one's own name, but in the name of the other at the same time ... (*ibid.*)

Despite having asserted that the comprehensiveness of communicative reason must be obtained without 'religious and metaphysical mortgages' (*op. cit.*), Habermas now argues that 'The theory of communicative reason ... lets itself be guided by an intuition that can be expressed in the concepts of the Old Testament

⁷ Not only does this formulation contradict Habermas's disenchanted employment of self-constituting intersubjectivity, but also his critique of *Lebensphilosophie*.

...' (*ibid.*, p.325). This 'intuition' rests on the notion of a 'covenant' (*Bundes*) between 'partners' (*Bundesgenosse*), in which a crime against one another is also a crime against one's self and the 'universal confederation' (*Bundesgenossenschaft*) in which all are united.⁸ It is then possible to discover 'In the restlessness of the real conditions of life, there broods an ambivalence that is due to the dialectic of betrayal and avenging force' (*ibid.*, p.325).

However, by tying Hegel's 'causality of fate' to an Old Testament conception of crime and punishment, Habermas exchanges an intersubjective form of 'ethical totality' for a transsubjective one based on a pre-modern form of 'cosmic morality'. Thus, rather than viewing 'crime' as an infringement of moral obligations which derive their validity from their intersubjective constitution, Habermas views such crimes as an infringement of a pre-constituted moral order whose obligatory structure transcends those regulated by it. But if, as Habermas argues, in his more democratic moments, normative solidarity is no stronger, deeper or broader than the rules we generate to govern ourselves, then anything above and beyond this comprises a 'crime' against the modern ethic of self-constitution. To this extent, Habermas's own theologically inspired conception of a causality of fate 'betrays' the normative content of modernity, which 'avenges' itself by invalidating Habermas's 'ethical totality'.

Perhaps realizing that he has strayed too far from the legitimating principles of communicative reason, Habermas then attempts to steer a course back towards its human bearers.⁹ Thus, while continuing to appeal to the 'transcendental necessity' of 'fate' in opposition to the empirical reality of 'day to day communicative practices' (*ibid.*, pp.325-6), Habermas argues that '*concrete*

⁸ The English translation obscures the key role played by the concept of *bund* (bond) and *bundes* (confederation) in these passages (see Habermas 1985, pp.377-378).

⁹ It is worth recalling that the reason Habermas embarks on this journey is to sublimate the 'doublings' of transcendental and empirical subjectivity which arise from a subject-centred approach to sociality (*ibid.*, p.298).

forms of life' manifest the normative properties of 'lifeworlds in general' (*ibid.*). However, these 'universal structures' of morality can only manifest themselves 'through the medium of action orientated towards mutual understanding' (*ibid.*). To this extent, communicative reason comprises a medium through which the substantive content of morality discloses itself to the ethical world of human practices.

What is most surprising about the above discussion is the degree to which Habermas is willing to sacrifice his own ethic of self-constitution to a more comprehensive conception of intersubjectivity. However, this is a self-defeating exercise that at best confirms the suspicion of writers such as Foucault, with regard to the hubris of reason, and at worst mirrors the latter's own subsumption of human agency beneath a transsubjective system of power (Foucault 1977). In the event, it suggests that it is impossible to combine a modern ethic of self-constitution with a universal approach to normativity. Thus, just as Hegel relinquishes the autonomy of modern individuals to the authority of Spirit, so Habermas subsumes practical reason beneath its functional other. Nevertheless, the entire legitimacy of communicative reason rests upon a universalistic conception of practical reason. Consequently, any attempt to circumvent this principle compromises the normative content of modernity and its claim that social rules are only valid if agreed to by all concerned.

If we are, therefore, concerned to generate a comprehensive form of intersubjectivity, grounded in the modern ethic of self-constitution, it is necessary to 're-internalize' the economic system. Just how far this can proceed before threatening the conditions which make democratic participation possible can only be answered, as McCarthy notes, 'by testing and learning in different and changing circumstances' (McCarthy 1991, p.133). The role of critical theory should not, however, be to limit the scope of democratic participation in advance,

or employ 'technical' criteria which by-pass the normative content of modernity. On the contrary, critical theory should locate itself within the democratic forces unleashed by modernity and then seek to extend them throughout sociality as a whole. To quote McCarthy '... for critical social theory, the "utopian" idea of self-conscious self-determination must remain a regulative idea, in light of which we might at least recognize when we are compromising and why' (*ibid.*). To this end, we argue that Habermas's account of the uncoupling of system and lifeworld is flawed on both empirical and theoretical grounds.

SYSTEM AND LIFEWORLD INTERDEPENDENCIES

In the face of his inability to supplement his neo-Kantian conception of 'practical reason' with an Hegelian version of 'ethical totality' (Habermas 1990), Habermas evokes a form of 'exclusion model' to divide modern rationality into its 'practical' and 'functional' forms.¹⁰ Having abandoned the attempt to sublimate the dialectic of 'heteronomy' and 'autonomy' (Habermas 1987b, p.302), Habermas now adopts Kant's equation of the former with the *technically practical* realm and the latter with the *morally practical* realm (Kant 1987, p.10).¹¹ He then argues that '... the classical model of bureaucracy is right in one respect: actions within organizations falls *under the premises* of formally regulated domains of action' (Habermas 1987a, p.310). Thus, on the grounds that morality resides in the process of achieving consensus by communicative means, Habermas argues that insofar as 'inner organizational relations' do not manifest this requirement, they are 'ethically neutralized' (*ibid.*, p.311).

However, it remains unclear as to how far the 'uncoupling of system and lifeworld' serves to disconnect the former from the normative concerns of the

¹⁰ We do not, therefore, agree with Eva Knodt that the system/lifeworld distinction is 'rooted in the classical rational/irrational distinction' (Knodt 1994).

¹¹ Thus, just as Kant allocates labour to the heteronomous realm of 'political economy' (*ibid.*, p.11), Habermas argues that the domination of labour is inseparable from its rationalization.

latter. In his reply to criticisms, Habermas (1991, p.257) argues that system and lifeworld overlap each other in a mutually dependent manner. Nevertheless, in his more recent accounts of the system-lifeworld divide (Habermas 1996), Habermas does little to assuage accusations of 'dualism'. On the contrary, the opposition between the two spheres appears to have grown starker the more Habermas foregoes Weber's 'instrumental' in favour of Luhmann's 'functional' approach to systems rationality (Habermas, 1996, p.353). It is, therefore, possible to argue that on *empirical* grounds alone Habermas fails to do justice to the interdependencies of modern sociality and hence the degree to which labour possesses a recognized normative content. Thus, according to Honneth, 'If capitalist societies are conceived ... as social orders in which system and lifeworld stand over against each other as autonomous spheres of action, two complementary fictions emerge: (1) the existence of a norm-free organization of action and (2) the existence of power-free spheres of communication' (Honneth 1991, p.298).

However, just as Honneth does not believe that there exists a pure realm in which the rational interest in 'universal morality' is realized, so he does not believe that its stands in opposition to an equally pure realm of 'instrumental action'. On the contrary, argues Honneth, the capacity of participants to intersubjectively influence the system is matched by the capacity of the economy's objective imperatives to influence the lifeworld. To this extent, argues Honneth, 'Actions produced in organizations such as management and administration not only remain dependent upon practices of social understanding ... they are also bound to a process of normative consensus formation ...' (*ibid.*, p.299).

According to Stephen Bronner (1994, p.304), Habermas's distinction between system and lifeworld rests on the 'quasi-ontological' distinction between 'material' and 'symbolic' forms of reproduction. However, this assumes that a

clear division exists between the system's commodification of 'material' resources, and the lifeworld's protection of 'symbolic' ones. Whereas, in practice, as Habermas himself acknowledges, social life comprises an overlapping and inter-penetrating nexus of material and symbolic entities. To this extent, the division between non-normatively and normatively structured behaviour is often more complex than Habermas's 'uncoupling' model allows. Hence, Habermas's own attempt to clarify the situation by arguing that non-normativity increases the more the system transcends participants ends, while normativity increases the more the lifeworld is accountable to the ends of participants (Habermas 1991, p.253).

However, if this is the case, then both system and lifeworld are combinations of normative and non-normative structures that intersect and dissect one another in a complex unity of commercial, administrative and ethical relations. In other words, while the system can be said to 'jut out' of the lifeworld, it is also the case, as Arato and Cohen argue, that it remains firmly 'embedded' within the lifeworld (Arato and Cohen, 1992, p.134). To this extent Habermas's assertion that the normative content of modernity is limited to communicative action appears unduly restrictive. Even in such strongly market-orientated societies as the United States, Michael Walzer (1983) argues that it is possible to identify at least fourteen forms of 'blocked exchanges' which serve to restrict the system's capacity to commodify social activities (*ibid.*, p.100). This includes legislation relating to 'The eight-hour day, minimum wage laws, health and safety regulations ...' all of which serve to '... establish basic standards, below which workers cannot bid against one another for employment' (*ibid.*, p.102).

By the same token, Claus Offe (1992) provides an empirically sensitive account of the way economic systems rely for their day to day operations on normatively charged 'associative relations' (*ibid.*, p.76) which serve to '... constitute

environments of action that, on the one hand, allow questions of fairness and mutual obligation to be raised, if only among the members of narrow communities, while, on the other hand, they allow participants to be shielded from unresolvable expectations and the risk of standing alone with the “right” kind of action’ (Offe 1992, p.83). If this is the case than not only are putatively ‘non-normative’ systems reliant on ‘normative’ networks to integrate and protect their members, but also intersubjectively constituted forms of normativity extend far beyond symbolic attempts to achieve mutual understanding. Unfortunately, Habermas’s norm-free conception of social labour overlooks the degree to which participants are imbedded within normative structures during their working lives.

Although Habermas continues to draw on Weber’s economistic contention that labour comprises a technical resource equivalent to all other ‘factors of production’, organizational theory has long since recognized the normative content of ‘human capital’. This is reflected in the literature of what was once referred to as ‘personnel management’ and is now indicatively called ‘human resources’. The plethora of books on ‘ethical business practices’ demonstrate that even the managers of commercial organizations recognize the need to treat labour in a normatively informed manner - if only to fulfil their corporate ends. To this extent, there has been a move from away from ‘neo-classical’ accounts of labour toward ‘social-economic’ accounts that emphasize the uniquely ethical aspects of ‘human labour’ (Ray and Reed 1994). It would therefore appear that modern management possesses a more ‘enlightened’ view of the normative claims of their workforce than the instrumental one Habermas takes from Weber, although even Habermas acknowledges that ‘The lifeworlds of members, never completely husked away, penetrate here into the reality of organizations’ (Habermas 1987a, p.311).

Although there is undoubtedly some truth in Habermas's suggestion that the system transcends the normative obligations of the lifeworld, this applies more to the objective steering mechanisms which regulate the economy as a whole, than the internal life of firms. On the contrary, each firm can be said to comprise a quasi-lifeworld in its own right mediating between the normative claims of its personnel and the impersonal imperatives of the economy. Unfortunately, because Habermas relies on an etiolated conception of normativity as 'communicative action' orientated to 'mutual understanding', this leaves little room for a more substantive account of intersubjectivity embodied in the institutional structures of organizations.

This, however, is a two-edged sword insofar as the normative incorporation of labour into the mission statement of the firm generates a corresponding set of moral obligations designed to bind the former into the latter. The recognition that labour is more than a mere 'factor of production' then creates a normative basis from which workers can oppose forms of regulation that run contrary to their claims to participation. However, before taking up the question of worker's struggles in the next chapter, we shall examine the problems generated for Habermas's theory of discourse ethics by his attempt to exempt labour from the normative content of modernity.

THE LIMITS OF DISCOURSE ETHICS

As we have seen, Habermas is just as concerned to protect the system from the lifeworld as he is to protect the lifeworld from the system. However, the difficulty arises in determining where the legitimate reach of one ends and the other begins.¹² According to Habermas, each is organized on the basis of an

¹² According to Sitton, the persuaviness of Habermas's theory: '... depends on whether this specific compartmentalization of instrumental action and the communicative action which produces solidarity can be sustained' (Sitton 1996, p.189).

opposed form of reason. Consequently, in the absence of a more comprehensive conception of rationality, we must either deploy functional reason to determine the limits of practical reason, or vice versa. However, whereas the discussion on Marx would indicate that Habermas employs the system-theoretic standpoint of functional reason to determine the legitimate limits of practical reason, this contradicts his own contention that ‘Ultimately, there is only one criterion by which beliefs can be judged valid, and that is that they are based on agreement reached by argumentation’ (Habermas 1990, p.14). In which case, even the etiolated conception of normativity enshrined in Habermas’s procedural account of discourse ethics, remains committed to an ‘ethical totality’ grounded in right of participants to constitute their own sociality. This is borne out by the social conditions which make discourse ethics possible, namely ‘... the complete inclusion of all parties that might be affected, their equality, free and easy interaction, no restrictions of topics and topical contributions, the possibility of revising the outcomes etc.’ (Habermas 1992b, p.449). Nevertheless, despite affirming a set of principles which allows for no prior restrictions on topics, topical contributions or revising of outcomes (*op. cit.*), Habermas continues to assert that the economy and its state apparatus comprise ‘... systemically integrated action fields that can no longer be transformed democratically from within ... without damage to their proper systemic logic and therewith their ability to function’ (Habermas 1992b, p.449).

At one level, the tension between these two formulations arises from Habermas’s contention that, having slipped out of the normative content of modernity, the system must be judged on the basis of epistemological as opposed to normative validity claims. However, this not only assumes that the system’s ‘ability to function’ is damaged by greater democracy from within but we should also

choose the former over the latter.¹³ It is, of course, always possible to argue, as Bowles and Gintis (1986) do, that enhanced democracy brings with it enhanced efficiency, but even if this were not the case, any trade off that might exist between the two remains a normative question for discourse ethics to deliberate upon.

To this extent, Habermas's claim that the system's lack of normative content is a function of its concern with efficiency ignores the fact that questions of efficiency retain a normative content. As we shall see when we come to consider 'welfare economics' in chapter eight, efficiency is a key criterion for judging the degree to which the system fulfils the ends of its participants. How then can we account for Habermas's contention that efficiency is a non-normative criterion best suited to 'cognitive' validity claims? One explanation for this concerns the way in which the system itself tends to privilege efficiency over autonomy. Thus, while there is nothing intrinsic to the criterion of efficiency, there is something inherent to the autopoietic system which by-passes normative validity claims. In particular, the imperative to subordinate the autonomy of workers to the efficient use of labour arises from the competitive nature of the system. This then forces all other firms in the same sector to follow suit or find alternative means to increase profitability. Consequently while we would agree with Eva Knodt that Habermas's '... choice of system's theoretical framework precludes the idea of a normative centre that would allow modern society to form a critical consciousness of itself as a whole and thus take control of its own evolution' (Knodt 1994, p.98). We would add that it is not Habermas's choice of a systems-theoretic framework which 'precludes' democratic participation, but rather the system itself; that Habermas *then* seeks to legitimate on the basis of a systems-theoretic framework.

13 As LeGrand and Robinson note, it is relatively easy to increase the efficacy of the criminal justice system by compromising the liberties of citizens (LeGrand and Robinson 1984).

Habermas's recent account of law in Between Facts and Norms (more accurately translated as Facticity and Validity), concerns the relationship between social facts and social validity. To this extent Habermas seeks to justify the application of functional reason to the system on the grounds that 'in reality' it eschews normative regulation. However, the mere *fact* that the system excludes participation (and as we have seen this is less clear cut than Habermas contends), does not mean that it is *valid*. On the contrary, in opposition to Durkheim's positivistic call to treat social facts as things, critical theory has responded with its own call to treat social facts as reified social relations. In the light of Habermas's re-formulation of critical theory along intersubjective lines, this can then be re-stated as 'treat social facts as reified forms of normativity'.¹⁴ To this extent, Habermas's own approach to normativity contains a more radical content than he is willing to acknowledge - as when he argues that 'Only in an emancipated society, whose members' autonomy and responsibility (*Mündigkeit*) have been realized, would communication have developed into the non-authoritarian and universally practised dialogue from which both our model of reciprocally constituted ego-identity and our idea of true consensus are always implicitly derived' (Habermas 1972, p.314).

Kant could escape the practical ramifications of his 'kingdom of ends' by calling on subjects to transcend the material interests which divided them. Habermas too, despite McCarthy's denial that he is attempting to renew 'transcendental philosophy' (McCarthy 1990, p.ix), also affirms the existence of 'weak *transcendental* arguments' (Habermas 1990, p.32). Habermas's reasons for preserving the tradition of 'transcendental philosophy' are two-fold. On the one

¹⁴ In a revealing passage from Between Facts and Norms, Habermas asserts that 'we' used to believe society could govern itself as a whole '... through the media of law and political power. Today we know better, now that sociological analyses have enlightened us about the actual circulation of power' (Habermas 1996, p.482). However, this not only assumes the existence of a sociological consensus on the question of power, but it also assumes 'the actual circulation of power' is immutable.

hand, it serves to confer unconditional status upon the underlying structures of discourse ethics while, on the other hand, it serves to lift the 'ideal speech situation' above the world from which it is practically absent.

Nevertheless, Habermas's decision to ground the normative content of modernity in a transcendental ideal is 'janus-faced', insofar as it serves both to maintain the potential for critical theory in a world in which it is absent and to abstract the process of consensus formation from a world riven by social dissent. Thus, when Habermas informs us the 'ideal speech situation' is little more than a 'methodological fiction' (Habermas 1996, p.323), whose 'ideal' consensus has only a 'virtual relation to action' (*ibid.*, p.113), this serves to negate its practical affect and hence its critical content. The result is an extremely flexible theory which permits Habermas - in his more conservative moments - to retreat into a set of transcendental formulations which make few demands upon the autopoietic set up of the economy, while also sustaining a far more radical approach which calls on all rationally motivated individuals to generate a state of 'undamaged intersubjectivity' in which the ideal speech situation is realized.

However, Habermas's discourse ethics is more than a set of formal principles by which individuals are called upon to mentally test their actions. On the contrary, unlike Kant's 'monological' account of normativity, Habermas's 'dialogical' account is intersubjectively institutionalized in the 'public sphere' (*Öffentlichkeit*). For this reason, Habermas is concerned that his attempt to transfer normative content from labour to 'the transcending force of universalistic validity claims' does not '... reestablish an idealism that is incompatible with the naturalistic insights of historical materialism' (Habermas 1987b, p.321). To protect against this eventuality, Habermas grounds the transcendental-ideal of practical reason in an actual-empirical form of life which 'meets it halfway' (Habermas 1996, pp.113, 302 and 358). 'Naturally, even a proceduralized "popular sovereignty"...

cannot operate without the support of an accommodating political culture, without the basic attitudes, mediated by tradition and socialization, of a population *accustomed* to political freedom: rational political will formation cannot occur unless a rationalized lifeworld meets it halfway' (Habermas 1996, p.487).

To this extent, Habermas recognizes that if discourse ethics is to be effective in the face of the system's capacity to neutralize normative steering mechanisms, it must assume an institutional form capable of wielding the levers of power. However, the more discourse ethics assumes an historically grounded form, the more it must be in a position to give an account of the social conditions which make it possible. In other words if 'A communicative power of this kind can develop only in undeformed public spheres ... from structures of undamaged intersubjectivity found in non-distorted communication' (*ibid.*, p.148), then it is incumbent on Habermas, according to Georgina Warkner (1995), to supplement his 'top down' with a 'bottom up' approach grounded in '... forms of life, cultural values, and tradition through which people find their lives meaningful' (*ibid.*, p.133).

However, while Warkner is concerned to explore the impact of this formulation on the lifeworld, we are more interested in its implications for the system. A similar consideration prompts Nancy Fraser to ask Habermas 'Isn't economic equality - the end of class structure and the end of gender equality - the condition for the possibility of a public sphere, if we are talking about what makes it possible for people to participate. Is capitalism compatible with this? (Fraser 1994, p.469). Habermas's response is to accuse Fraser of adopting a 'utopian socialist' standpoint. But this is to miss the point of Fraser's question, which calls on Habermas to acknowledge the extent to which his own conception of discourse ethics retains a 'utopian socialist' dimension, insofar as 'moral

consensus' is only possible in a form of society in which all can participate *equally*.

To this extent, the scope of the charge of 'damaged intersubjectivity' remains deeply equivocal. On the one hand, Habermas limits it to the lifeworld, in order to legitimate the system's capacity to escape from normative content while, on the other hand, he expands it to include the right of all participants to participate in what Michael Oakeshott calls the 'conversation of humanity'. However, this equivocation cannot remain undecided insofar as it cuts across lines of class conflict. Thus, when Habermas employs functional reason to legitimate the economy's 'ethical neutralization' of labour, he aligns himself with the interest of capital.¹⁵ Whereas when Habermas employs practical reason to legitimate the universal right of participants to determine the nature of their own sociality, he aligns himself with Cohen and Arato's claim that the system comprises a form of 'reified' intersubjectivity which resists the setting up of 'democratic publics *within* the firm and the state ...' (Cohen and Arato 1992, p.137).

To this extent, the struggle between functional and practical reason goes to the heart of modernity's attitude to labour. Or to put it another way, the 'labour question' continues to pose a real dilemma for the normative content of modernity. However, while Habermas's account can be read as providing this dilemma with a normative foundation, he is unable to resolve it. This is partly because Habermas refuses to view labour as a form of 'damaged intersubjectivity', and partly because labour remains alienated from the normative content of modernity. Nevertheless, Habermas's account raises the possibility of reconciling discourse ethics with labour in a mutually beneficial way.

¹⁵ Hence, John Keane's assertion that when it comes to production for Habermas '... everything and everybody must fall silent. Work is that process through which those who labour are at most *instrumentaum vocale*, mere speaking tools ...' (Keane 1984, p.205).

Thus, insofar as discourse ethics, in the absence of labour, lacks material 'facticity', while labour in the absence of discourse ethics, lacks normative 'validity', the inclusion of workers within the normative content of modernity goes some way to resolving both; (a) the lack of substance which Habermas's account inherits from Kant; and (b) the lack of ethical principles which Marx's account of labour evinces. However, this would be a purely 'academic' exercise if workers themselves did not experience their labour as a form of 'damaged intersubjectivity' which they then sought to repair. Hence the importance of Honneth's attempt to develop a more comprehensive conception of social solidarity, one based on workers' own struggles to gain inclusion within, and an expansion of, the normative content of modernity.

CHAPTER SEVEN:

STRUGGLES FOR MORAL REDEMPTION

In contradistinction to Habermas, Axel Honneth seeks to extend the normative content of modernity to labour in relation to the former's own struggles for inclusion in the latter. Thus, much of Honneth's early work is concerned to expand Habermas's theory of communicative reason to the struggles of workers for moral autonomy. Although Honneth's more recent work on 'recognition' makes no direct reference to Habermas,¹⁶ it remains part of a continuing debate with, and an attempt to enlarge the parameters of, Habermas's moral theory. We begin therefore by outlining Honneth's direct engagement with Habermas, before turning to his recent work on recognition.

In an early essay entitled 'Work and Instrumental Action: On the Normative Basis of Critical Theory', Honneth criticizes Habermas for arguing, in support of Weber, that the 'de-moralization' (*Entmoralisierung*) of labour is a function of its 'instrumental' character.

A critical concept of work must grasp categorically the difference between an instrumental act in which the working subject structures and regulates his own activity on his own initiative, according to his own knowledge, in a self-contained process, and an instrumental act in which neither the accompanying controls nor the object-related structures of the activity is left to the initiative of the working subject. (Honneth 1995a, p.46)

Against Habermas's claim that the 'de-normatization' of labour is an inevitable by-product of the instrumentalization of production, Honneth argues it is not the undertaking of instrumental acts *per se* which rob workers of their autonomy but the fact they are not under the control of the 'working subject'. Thus, against

¹⁶ There is a single reference to Habermas in the Preface to *Struggles for Recognition* (1995b) thanking him for overseeing the first half of the book which was submitted as a *Habilitation*.

Habermas, Honneth argues that it is possible to ‘... recognize the existence of a type of moral-practical knowledge which is based not upon the consciousness of systemically distorted relations of communication, but the experience of the destruction of true acts of work’ (*ibid.*, p.47).

Honneth then criticizes Habermas for failing to recognize that moral damage is not restricted to impaired communication but extends to the ‘destruction’ of worker’s right to control their own labour process. ‘The valid normative claim which thus comes to expression results from a moral vulnerability which grows not from the suppression of communicative modes of mutual understanding but from the expropriation [*Enteignung*] of the workers’ own [*eigenes*] work activity’¹⁷ (*ibid.*, p.47). Nevertheless, Honneth’s attempts to re-normatize labour are vulnerable to Habermas’s critique of ‘subject-centred thinking’ insofar as ‘true acts of work’ are viewed by Honneth as ‘immanent’ to the ‘inner logic’ of labour, rather than historically emergent consequences of workers’ struggles to assert their autonomy.

In a slightly later work, ‘Moral Consciousness and Class Domination’ (Honneth 1995a), Honneth returns again to the theme of connecting labour and morality. This time, however, he explicitly combines it with a theory of social struggle that seeks to combine Marx’s analysis of class with Habermas’s analysis of normativity. Thus, according to Honneth, ‘... a social analysis derived from Marxism must see as its task today the identification of moral conflicts connected to the social class structure which are hidden behind late capitalism’s facade of integration’ (*ibid.*, p.215).

17

Echoes of Marcuse’s early attempts to incorporate Heidegger’s conception of ‘authentic self-possession’ (*Eigentlichkeit*) into critical theory can be heard in Honneth’s account.

Honneth's starting point is the post-war Frankfurt School's contention that '... late capitalist state interventionism dries up the political and practical interests of wage workers by means of a policy of material compensations and the institutional integration of the wage policy of the labour unions' (*ibid.*, p.216). Having accepted this formulation, Honneth then argues that it has not brought an end to class injustices. On the contrary, it has merely changed their form from one based on 'the unequal distribution of material goods' to one based on 'the asymmetrical distribution of cultural and psychological life chances' (*ibid.*, p.217).¹⁸ In particular, Honneth cites the '... maldistribution of opportunities for cultural education, social honour, and identity-guaranteeing work...' (*ibid.*, p.218).

Drawing on the work of Sennett and Cobb (1972), Honneth then seeks to expand the criteria of social injustice to include the 'hidden injuries' which arise from the 'unequal distribution of social dignity' (*ibid.*, p.218). In the process, Honneth focuses on 'lower, primarily manually employed occupational groups' insofar as they are motivated to struggle for 'recognition', 'esteem', 'honour', 'dignity' and 'respect' (*ibid.*, p.218). However, because these groups lack '... the identity supporting recognition structure of a collective social movement ... practical reactions to these daily experiences of injustice are limited to individual or group-specific constructions of a 'counter culture of compensatory respect ...' (*ibid.*, p.218).

Thus, despite experiencing a deficiency of 'social dignity', their lack of 'coherent linguistic expression ...' (*ibid.*, p.219) renders 'lower class workers' incapable of articulating their injuries in a politically recognizable form. Consequently, it falls to social scientists (such as Honneth) to recognize '... labour struggles, which lie

¹⁸ Although the two are not mutually exclusive insofar as 'The existence of class society based upon the unequal market chances of individual productive agents ... results in a lasting inequality in the distribution of chances or social recognition' (*ibid.*, p.218).

below the threshold of publicly recognized normative conflict, as indicators of a consciousness of injustice which implicitly lays claim to the right to the autonomous organization of work' (*ibid.*, p.219). However, it is unclear why Honneth restricts his account to the morally inspired struggles of 'lower class workers'. After all if, as he claims, increases in standards of living cause class struggle to be deflected from 'material' towards 'immaterial' goods, then this should primarily affect the pattern of struggles amongst 'higher' class workers who have less reason to struggle for material rewards. It is, therefore, difficult to understand why Honneth abstracts from the more highly paid and often better organized sections of the labour force in favour of its less well paid and often poorly organized sections.

Nevertheless, it is possible to deduce the general trajectory of Honneth's work from these early attempts to re-combine labour and morality, insofar as workers not only continue to suffer from 'moral' injuries but also struggle against them. However, in order to provide this standpoint with a firmer moral foundation, Honneth turns to Hegel's early writings in order to excavate those '... forms of recognition that can be shown to serve as necessary preconditions for individual self-realization' (Honneth 1995b, p.173).

STRUGGLES FOR RECOGNITION

Honneth's account in Struggles for Recognition (1995b) continues to have much in common with Habermas's, insofar as it is concerned to deduce from historically specific social practices a transcendental set of universal elements which make 'self-realization' possible.

In contrast to those movements that distance themselves from Kant, this concept of the good should not be conceived as the expression of substantive values that constitute the ethos of a concrete tradition-based community. Rather, it has to do with the structural elements of ethical life, which, from the general point of view of the

communicative enabling of self-realization, can be normatively extracted from the plurality of all particular forms of life. (*ibid.*, p.172)

Thus, while seeking to both broaden and deepen the normative ideals that underlie Habermas's conception of communicative reason, Honneth retains the latter's commitment to a general account of morality common to and yet independent of 'all particular forms of life' (*op. cit.*). Honneth then turns to Hegel's early writings,¹⁹ on the grounds that they comprise an attempt to re-think social struggles along normative lines.

In his early writings, Hegel begins a lifelong critique of Kant's attempt to oppose a transcendental form of morality to the material interests of empirical subjects. Against Kant, Hegel argues that the pursuit of material interests is imbedded within a deeper network of moral interests that arise from human beings' need for social validation. Thus, whereas Hobbes interprets property struggles as injurious to an individual's material well being, Hegel interprets them as injurious to their moral dignity. As evidence for this, Hegel cites the propensity for injured parties to engage in a life and death struggle that subordinates self-preservation to social-recognition. From this, Hegel concludes that the resolution of these conflicts requires not a Leviathan state with the monopoly of violence, but a set of morally sanctioned property rights capable of determining the legitimacy of ownership claims (*ibid.*, p.47).

Honneth sees in Hegel's reinterpretation of Hobbes an '... epoch-making new version of the conception of social struggle, according to which practical conflict between subjects can be understood as an ethical moment in a movement

¹⁹ Specifically System of Ethical Life (Sittlichkeit) 1802/1803, First Philosophy of Spirit 1803/1804 (formally known as Realphilosophie), Jena Lectures on the Philosophy of Spirit 1805/1806 (previously known as Realphilosophie II) and Hegel's 'Natural Law' essay (1802/1803). See Honneth 1995b, page 183.

occurring within a collective social life' (*ibid.*, p.17).²⁰ However, because it remains grounded in a 'metaphysical' world view, Honneth turns to the social psychology of George Herbert Mead to provide a 'naturalistic' counterweight to the former's 'speculative' account of social recognition. Honneth is drawn to Mead's account because, like that of Hegel's, it is based on a prior conception of *mutual dependence* (Mead 1970) in which individual identity arises from intersubjective processes of validation. Nevertheless, Honneth is also dissatisfied with the empirical and historical aspects of Mead's approach, insofar as it lacks a 'post-conventional' view of morality (Honneth 1995b, p.109). To this extent, Honneth seeks to combine Mead's 'naturalization' of Hegel with an Hegelian 'universalization' of Mead, in order to generate a general conception of recognition relations above and beyond their specific historical context (*ibid.*, p.110). This, however, creates a tension in Honneth's writings between (a) an intersubjective conception of recognition based on the standpoint of participants and (b) transsubjective conception of recognition based on a philosophy of history. Nevertheless, while Honneth is aware of the risks associated with the absolutizing of 'historical prejudices', he believes it is the only way to arrive at a general account of the intersubjective conditions which make human autonomy possible (*ibid.*, p.176).

To this end, Honneth adopts Hegel's early attempt to generate a philosophy of history based on the idea that just as unredeemed relationships of recognition spark social struggle, so social struggle serve to expand relationships of recognition. Honneth then seeks to extract from Hegel's writings a theory of moral development which progresses through 'three stages of social conflict' (*ibid.*, p.23) beginning with the concrete-particular sphere of family-life, moving on to the abstract-universal sphere of law (*recht*) and culminating in the concrete-

²⁰ One would think to read Honneth that Hobbes reduces all recognition claims to economic ones when in fact Hobbes also argues that "The public worth of a man, which is the Value set on him by the Common-wealth is that which men commonly call DIGNITY" (Hobbes 1968, p.152).

universal sphere of moral solidarity. To this extent, Honneth finds in Hegel's early writings a distinction between three forms of recognition:

... in the affective relationship of recognition found in the family, human individuals are recognized as concrete creatures of need; in the cognizant-formal relationship of recognition found in law, they are recognized as abstract legal persons; and finally, in the emotionally enlightened relationship of recognition found in the State, they are recognized as concrete universals, that is as subjects who are socialized in their particularity. (*ibid.*, p.25)

Honneth then attempts to reconstruct Hegel's theory of 'moral development' in order to generate a conception of 'intersubjectivity in general'.

THREE STEPS TO HEAVEN?

Step One: Love

According to Honneth, love represents for Hegel the '... first stage of reciprocal recognition, because in it subjects mutually confirm each other with regard to the concrete nature of their needs and thereby recognize each other as needy creatures' (*ibid.*, p.95). To this extent it is restricted to the 'private sphere' of friendships, partnerships and parent-child relationships and is not amenable to moral development. To further illustrate this stage, Honneth turns to the writings of Donald Winnicott on the grounds that his 'object-relations' approach is well suited to a 'phenomenology of recognition' (*ibid.*, p.98). In particular, Honneth is taken by Winnicott's suggestion that adult maturity is '... dependent on the capacity, acquired in early childhood, to strike a balance between symbiosis and self-assertion' (*ibid.*). Thus, according to Winnicott, at a certain stage in its development the child will act aggressively towards its 'mother' in order to test whether 'she' exists in 'her' own right (*ibid.*, pp. 101-2). 'If the "mother" managed to pass the child's unconscious test by enduring the aggressive attacks

without withdrawing her (sic) love in revenge, she (sic) now belongs, from the perspective of the child, to a painfully accepted external world' (*ibid.*, p.104).

Through this process each comes to recognize the other as not only dependent on them for 'love' but also an independent being in their own right. Children who succeed in passing through this developmental stage then go on to become normal, healthy and autonomous adults.²¹ 'This fundamental level of emotional confidence ... which the intersubjective experience of love helps to bring about, constitutes the psychological precondition for the development of all further attitudes of self-respect' (*ibid.*, p.107).

Nevertheless, the question remains as to whether Winnicott's approach can, as Honneth argues, be viewed as an 'ideal of interaction' (*ibid.*) or whether it comprises an historically specific 'idealization' of post-war family forms. Honneth himself is critical of Hegel's attempts to universalize the 'patriarchal model of bourgeois family relations' (*ibid.*, p.176), but Winnicott can also be criticized for universalizing a specific white, middle class, patriarchal family form of 1950s' America, as expressed in his view that confident adult roles are the consequence of children's relationship with their 'mother's'. Thus, while Honneth's use of the term 'mother' (in inverted commas) is meant, according to his translator '... to designate a role that can be fulfilled by persons other than the biological mother' (*ibid.*, p.xiii), this convention also serves to perpetuate the patriarchal assumption it is designed to subvert - as evidenced by the lack of scare quotes around female pronouns. At the same time, the focus on the maternal relationship abstracts from the child's wider relationships to the intersubjective world of parents, relatives, carers and siblings along with non-conventional family forms.

²¹ According to Honneth, 'instrumentalism' only arises in 'pathological' cases in which 'egocentric independence' or 'symbiotic dependence' turn into 'disorders' such as 'masochism' and 'sadism' (*ibid.*, p.106).

However, what makes this particularly noteworthy is Honneth's attempt to deduce 'invariant basic structures' from Winnicott's writings on post-war family life, which can then function as objective yardsticks for the determination of family 'pathology', 'disorder' and 'deviation'²² (*ibid.*, p.106). Not only does this assume that the creation of emotionally confident adults is the privilege of one specific model of family life, but it also assumes that experts, such as Winnicott and by extension Honneth, can then judge all others by this 'invariant' standard. In which case, questions of 'normalcy' and 'pathology' acquire an objective status that transcends the intersubjective evaluations of participants.

This, in turn, is linked to Honneth's claim that the 'private sphere' does '... not admit of the potential for normative development.' However, even a casual observer will have noted the radical changes family structures have undergone in recent years, changes that are due in no small part to the struggles of women to gain greater social recognition and autonomy. As a consequence of such struggles, feminine identities are no longer so rigidly constituted by domestic duties and nurturing roles, while masculine identities are no longer so rigidly constituted by the public sphere and the world of work. Thus, in their struggles to achieve a more symmetrical form of citizenship-identity with men feminists, armed with the slogan 'the personal is political', have not only succeeded in bringing about changes in their own social status but also that of men's. Unfortunately these changes find no expression in Honneth's timeless account of family life.²³ Consequently, there is no sense of the way developments within the 'private sphere' spill over into the 'public sphere' and *vice versa*.

²² One is reminded that Winnicott viewed feminism as a form of 'abnormality' (Winnicott 1986, p.188).

²³ Although Honneth does argue that freedom is enhanced the 'more rights come to be shared by partners' (*ibid.*, p.107).

Step Two: Rights

When we come to the 'stage' of law or rights (*Recht*) we find ourselves already located within a public sphere which - unlike the private - is subject to the progressive dynamic of moral development. Herein Honneth stresses the role of the bourgeoisie in struggling to free themselves from the status-bound evaluations of feudalism. To this extent, the bourgeoisie play a key role in generating a universalistic conception of 'legality' which underlies the modern notion of autonomous individuality. However, against Mead's assertion that legal rights arise from a specific 'concrete-community' (*ibid.*, p.109), Honneth argues they possess a 'post-conventional' character in keeping with Hegel's philosophy of history. 'With the transition to modernity, the post-conventional principles of justification that had already been developed in philosophy and political theory made their way into established law ...' (*ibid.*).

With the advent of modernity, the legal system expresses the 'universal interests of all members of society' (*ibid.*) insofar as each agrees to recognize all others '... as persons capable of autonomously making reasonable decisions about moral norms' (*ibid.*, p.110). However, while the recognition of individuals as 'ends in themselves', to use Kant's phrase, knows of no further development, the conditions under which individuals are free to exercise their autonomy can be expanded. Thus, the more individuals are enabled by social circumstances to act in an autonomous manner, the more relations of recognition are expanded throughout society.

Having generated a 'post-conventional' conception of civil rights, the bourgeoisie finds itself under pressure 'from below' by 'disadvantaged groups' struggling to expand citizenship rights beyond the legal-sphere. Honneth then turns to T.H. Marshall's writings (1973) on citizenship to support the claim that workers could only avail themselves of 'bourgeois liberties' when 'the appropriate preconditions were present for equal participation in a rational agreement' (Honneth 1995b,

p.115). The importance of Marshall's work for Honneth lies in its progressive conception of citizenship rights beginning with (a) civil rights that guarantee individual liberty, to (b) political rights that guarantee participation, and culminating in (c) social rights that guarantee basic welfare needs (*ibid.*). In particular, Honneth is keen to stress the extent to which the expansion of 'rights' is a consequence of social struggle by disadvantaged groups, insofar as they can only fully take advantage of legal rights if they acquire political rights and only fully take advantage of political right if they acquire welfare rights. In other words, '... to be involved as morally responsible persons, individuals need not only legal protection from interference in their sphere of liberty, but also the legally assured opportunity for participation in the public process of will-formation, an opportunity they can only actually take advantage of, however, if they also have a certain social standard of living' (*ibid.*, p.117).

However, it is symptomatic of Honneth's culturalist account of recognition that he says little about the connection between the extension of citizenship rights and the role of the welfare state in moderating market forces. Thus, rather than analyzing the third and final 'stage' of social solidarity as a further expression of worker's struggles to attain social recognition, above and beyond that allocated by the market, Honneth treats the former in abstraction from the latter.

Step Three: Solidarity

According to Honneth, the sphere of solidarity arises from the need to evaluate individuals as the bearers of particular skills in terms of their specific contribution to the life of the community. However, Honneth rejects Mead's assertion that it is possible to relate the determination of social worth to the division of labour. 'The solution which Mead envisions here involves linking self-realization to engaging in socially useful work. The degree of recognition accorded to persons who, within the context of the societal division of labour, fulfil their functions "well" is

enough to help them develop a consciousness of their individual particularity' (*ibid.*, p.88).

Against Mead, Honneth contends that '... the evaluation of the various functional jobs depends, for its part, on the over arching goals of the community' (*ibid.*, p.90). In Habermasian terms this is equivalent to arguing that the social validity accorded different occupations arises not from the economic system but from the cultural lifeworld. Hence, Honneth's attempt to link social recognition to the abstract goals of society through a notion of 'value-community' (*Wertgemeinschaft*) in which '... "prestige" or "standing" signifies only the degree of social recognition ... the individual earns for his or her form of self-realization by thus contributing, to a certain extent, to the practical realization of society's abstractly defined goals' (*ibid.*, p.126).

Nevertheless, Honneth's precipitous rejection of Mead's approach leaves the nature of the relationship between the value-community and the economic sphere of market-value largely untheorized. It remains unclear as to whether Honneth sees the relationship between social solidarity and economic forces as one in which (a) the former compliments the latter, as in Parsonian functionalism, where the 'common value system' reflects the values of industrial capitalism, or (b) social solidarity is designed to moderate and ameliorate the latter, as in the case of Marshall's approach to social citizenship?

Although economic relationships form an important backdrop to Honneth's account of recognition, Honneth is content to view social value as a cultural form that compliments but does not coincide with economic forms of value.²⁴

²⁴ Honneth defines 'value' predominantly in cultural terms, whether in the form of 'cultural self-understandings' which function to 'realize culturally defined goals' (*ibid.*, p.122) or in the form of 'cultural conflict' between groups who deploy 'symbolic force' to control 'the climate of public attention' (*ibid.*, p.127).

However, for such a close observer of Habermas's work, Honneth fails to respond to the former's all important attempt to 'uncouple' economic system and cultural lifeworld. This is responsible for generating a number of theoretical lacunae that call into question the comprehensiveness of Honneth's approach to morality with regard to the role played by market-capitalism in underpinning modern forms of social recognition and individual autonomy.

MONEY, MARKETS AND MORALITY

As we have seen, Honneth develops a recognition-theoretic approach in order to reveal the neglected role of moral claims in motivating class struggle. 'The motives for rebellion, protest, and resistance have generally been transformed into categories of "interest" and these interests are supposed to emerge from the objective inequalities in the distribution of material opportunities without ever being linked, in any way, to the everyday web of moral feelings' (Honneth 1995b, p.161), whereas Honneth is concerned to re-connect social struggle to profound moral motivations such as the need for recognition. 'Unlike all utilitarian models of explanation, it suggests the view that motives or social resistance and rebellion are formed in the context of moral experiences stemming from the violation of deeply rooted expectations regarding recognition' (Honneth 1995b, p.163).

However, in the very process of focusing attention on the moral sources of social conflict, Honneth also perpetuates the very distinction between 'material' and 'moral struggles' that Hegel's early writings sought to overcome. Thus, rather than attempting to view material injustices as misrecognized forms of moral injustice, Honneth differentiates between them. 'In the first case, we are dealing with the analysis of competition for scarce goods, whereas in the second case we are dealing with the analysis of struggle over the intersubjective conditions for personal integrity' (Honneth 1995b, p.165).

Thus, while acknowledging that a recognition-theoretic model has a ‘... duty not only to extend but possibly to correct’ an interest-based model of social conflict (Honneth 1995b, p.166) on the grounds that ‘... relations of social esteem are ... indirectly coupled with patterns of income distribution’ (*ibid.*) this falls short of Nancy Fraser’s claim that ‘Honneth argues that recognition is the fundamental concept of justice and can encompass distribution’ (Fraser 1997, p.74).²⁵ On the contrary, Honneth’s restriction of struggles over recognition to the ‘intersubjective conditions for personal integrity’ (*op. cit.*) tends to focus on the cultural sphere (of the Habermasian lifeworld) to the detriment of the economic sphere (of the Habermasian system).

Nevertheless, it is possible to argue that the economy remains not only a prime allocator of social recognition but also a fundamental pre-condition for modern forms of autonomy. This first proposition is articulated by Thorstein Veblen when he argues that with the establishment of capitalism: ‘The possession of wealth ... becomes in popular apprehension, itself a meritorious act. Wealth is now itself intrinsically honourable and confers honour upon its possessor’ (Veblen 1992, p.37).²⁶ Thus, according to Veblen, with the dissolution of status-based hierarchies social value becomes a matter of market-value. As such, money does not displace morality into the cultural sphere as Honneth (following Habermas) argues, so much as assume its role as the allocator of social validation. Hence the establishment of a relationship between the amount of income an individual receives and the amount of social status they are owed. To this extent, argues Veblen ‘... as soon as the possession of property becomes the

25 Indeed, Honneth specifically states that ‘... not all forms of resistance have their roots in injuries to moral claims’ as there are many instances in which: ‘... the securing of economic survival ... motivated massive protest and revolt’ (Honneth 1995b, p.166).

26 It is interesting to note that while Hobbes argues that the value of a person is commensurate with the price their capacities command in the market, he also recognizes an intersubjective element to evaluation. ‘The Value or WORTH of a man, is as of all other things, his Price; that is to say, so much as would be given for the use of his Power: and therefore is not absolute; but a thing dependent on the need and judgement of another’ (Hobbes 1968, p.151-52) .

basis of popular esteem ... it becomes a requisite to that complacency which we call self-respect' (*ibid.*, p.38).²⁷

Here Robert Merton's well known response to Parson's approach to 'deviance' is relevant, insofar as it reverses Honneth's suggestion that an overarching value-community stamps its system of evaluation on the capitalist division of labour, rather than the other way round as Mead contends. Against Parson's suggestion that society generates an anti-Hobbesian 'value-system' which integrates strategic actors within its common set of moral beliefs, Merton argues that the key value promoted by capitalism is pecuniary success. Thus, rather than modern morality comprising an antidote to amoral selfishness, the former is a vehicle for the promotion of the latter. In other words, the capitalist accent on individual achievement, the ruthless pursuit of pecuniary goals and wealth-generation coupled with the notion that high income denotes high status, creates a corresponding value-community. It is not, therefore, merely a question of opposing morality to the amorality of strategic actions, but of opposing a collective morality that emphasizes co-operation, community and social justice to an individualistic ethos that emphasizes self-interest, success and technical efficiency.

What is important here is the way in which money relations both displace moral ones and at the same time replicate them in an 'amoral' form. Hence the importance of Simmel's contention that money not only plays a key role in allocating social worth but also in making possible modern forms of autonomy. Thus, when the market transforms moral obligations into pecuniary ones, it validates individuals on the basis of an income that renders them independent from anterior forms of social regulation. Herein lies the importance of Marx's

²⁷ Trade unionists often point out that insofar as money is a measure of social esteem under capitalism, it not only contributes to the 'material' well being of workers but also their sense of social worth, morale and social identity.

observation that under capitalism 'we carry our social relations around with us in our pocket' (Marx 1973). Because individuals are directly validated by the market - without an intervening community of value - they are freed from previous moral dependencies. This new found freedom, which includes the freedom to 'starve' (Simmel 1978, pp.283-285), creates, in turn, a new form of independence which comprises the most important social pre-condition for the rise of modern individualism.

Whereas in the period prior to the emergence of a money economy, the individual was directly dependent upon his group and the exchange of services united everyone closely with the whole of society, today everyone carries around with him, in a condensed latent form, his claim to the achievements of others. Everyone has the choice of deciding when and where he wants to assert this claim, and therefore loosen the direct relations of the earlier form of exchange. The extreme significant power of money to lend to the individual a new independence from group interests is manifested not only in the basic differences between a money and a barter economy but also within the money economy itself. (Simmel 1978, p.342)

For Simmel, the atomization of individuals goes hand in hand with the abstraction of value. To this extent money fosters autonomy by fostering universalistic form of recognition freed from the particular status-groups of established value-communities. Consequently, the dissolution of moral-values by market-values brings with it the transformation of the former into the latter. Hence Simmel's claim that '... the honoury prize, which reflects the cooperation of the whole group, has to be replaced by the money prize, which reflects the ultimate recognition of the performance. The enlargement of the social group requires the transition to expressing merit in money terms because it means the inescapable atomization of such a group' (*ibid.*, p.348).

Consequently, argues Simmel, money has both a disintegrating and a unifying effect upon society. Thus, on the one hand, it brings about the privatization of family life, which underpin Honneth's writings on 'love' while, on the other

hand, it brings about new relations 'between elements that otherwise would have no connection whatsoever' (*ibid.*, p.346). However, the very 'soulless' and 'heartless' nature of this 'unifying social bond', argues Simmel, calls forth a reaction, in the form of socialism, which seeks to '... abolish the individual's isolation in relation to the group as embodied in the form of the purposive association' (*ibid.*).

Unfortunately, because Honneth fails to acknowledge the role of 'money' in generating an abstract-universal form of social recognition and a commensurate concrete-particular form of individual autonomy, he fails to acknowledge the extent to which modern forms of social solidarity are a reaction to their diremption. It is this which leads Honneth to play down the extent to which Marshall's writings on social citizenship are concerned to generate an alternative form of 'value-community', one designed to 'tame' and 'civilize' the economy (to use Marshall's own terms).²⁸ Thus, rather than viewing 'social solidarity' as something which emerges from and in opposition to market evaluation, Honneth abstracts the former from the latter and theorizes the value-community as a separate cultural sphere in its own right. He then misses the opportunity to argue that workers' struggles are not only motivated by non-material moral concerns but also play a key role in the 're-moralization' of the economy. Thus, while Honneth's attempt to extend normative motivations to workers' struggles is a useful counterweight to Habermas's de-moralization of labour, it fails to adequately theorize the extent to which 'working class' struggles serve not only to 're-moralize' labour but also 'de-reify' market forms of value.

²⁸ Honneth is agnostic on the question of whether his writings on 'substantive values' presuppose '... changes in socio-economic circumstances or are compatible with the conditions of a capitalist society ...'. These matters, he argues, can be left to 'the future of social struggles' (Honneth 1995b, p.179).

Above all, Honneth, like Habermas, lacks a sense in which market relations 'reify' intersubjective ones by transforming moral obligations into pecuniary ones. Instead, Honneth views the economy in much the same way as Habermas does the system, as a 'non-normative' realm concerned only with the distribution of 'material' resources. Consequently, while Honneth extends our appreciation of morally motivated struggles within the cultural sphere, he fails to take this moral approach into the economic sphere; despite the fact that it is precisely this drive to 're-moralize' the economy that informs Hegel's writings both early and late.

BEYOND HEGEL?

According to Honneth, in Hegel's later writings - beginning with the Phenomenology of Spirit '... the programme of the philosophy of consciousness gained the upper hand ... over all intersubjectivist insights ...' (*ibid.*, p.62). This is a controversial claim that writers such as Robert Williams (1992) dispute. Nevertheless, even if were conceded that Hegel's earlier intersubjective emphasis is subordinated to a subject-centred philosophy of history, this still needs explaining. The only clue that Honneth gives to this concerns his comment on Hegel's transition from a theory of 'communicative action' to one concerned with 'the theoretical and practical confrontation of individuals with their environment' (*ibid.*, p.29). This would suggest that the transition from an intersubjective to a subject-centred approach is coterminous with Hegel's attempt to incorporate an 'instrumental' relationship to nature within his conception of ethical solidarity.

This accords with Benhabib's assertion that the subject-centred character of both Hegel and Marx's later writings arises from their common attempt to model human activity on human labour. In other words '... because the primary model of human activity to which both [Hegel and Marx] resort is, in the final analysis, work and not interaction, the discourse of transsubjectivity comes to dominate'

(Benhabib 1986, p.68). To this extent the paradigm of self-objectifying subjectivity owes its aetiology to the 'model of labour'.

However, rather than arguing that this reflects the effect of labour *per se* upon social theory, it is possible to argue that it represents the effect of an historically specific form of capitalist labour - one that lends itself to a 'transsubjective' interpretation. Herein lies the importance of Honneth's early attempts to differentiate between those 'instrumental acts' which are under workers' control and those which are not. There is nothing intrinsically 'non-normative' about the activity of labour, it all depends on whether labour constitutes its own ends or whether it comprises a mere means for the ends of another. If labour appears 'ethically neutralized' (to repeat Habermas's felicitous phrase) it is not because it is stripped down to its pure subject-object form, but because it is transformed into an instrument for the social reproduction of capital.

Insofar as Hegel can be said to subordinate an intersubjective to a subject-centred approach, this is because his version of ethical solidarity mirrors too closely the form of sociality it is designed to sublate. As Honneth himself notes for Hegel, '... individuals' market-mediated activities and interests - which later come to be gathered under the title "civil society" - comprise a "negative" though still constitutive "zone" of the "ethical" [*Sittlich*] whole' (Honneth 1995b, p.13). Although it is not clear what Honneth means by the phrase ' "negative" but still constitutive "zone" of the "ethical"...', it is clear that Hegel saw civil society as an alienated form of ethical life which he believed only the state, as the bearer of World Spirit, was capable of re-normatizing.

It is, therefore, no coincidence that Hegel's break with his earlier intersubjective writings is coterminous with his attempt to assimilate political economy into his schema of moral redemption. Because Hegel uncritically assimilates political

economy's naturalistic conception of labour, as a purely technical mediator between 'man and nature', he takes the non-normative structure of labour as a given and then attempts to re-moralize it from the outside via the state. Thus, rather than viewing the non-normative status of labour as a consequence of its organizational form, Hegel accepts it at face value and views 'civil society' as an expression of its instrumental nature.

Evidence that Hegel viewed the 'objectivity' of the economy as a natural expression of the self-objectifying properties of labour can be found in his assertion that the more labour internalizes the causality of nature, the more society assumes a naturalistic form. To this extent the 'self-propelling' nature of money is associated with labour *per se* rather than the autopoietic system that regulates it. '*Money* is that materially existing concept, the unitary form or the possibility of all objects of need. By elevating need and work to this level of generality a vast system of common interest and mutual dependence is formed among people, a self-propelling life of the dead ...' (from Hegel's Lectures 1803-4 in Lukacs 1971b, p.333). Consequently, the 'alienated' and 'externalized' character of modern sociality is a result of its 'internalization' of natural laws rather than its capacity to regulate itself in abstraction from the intersubjective ends of participants.²⁹

By leaving the 'objective' structures of the economy unchanged, it is only possible to re-internalize the latter on the basis of a supra-human spirit that borrows its transsubjective character from the system it is designed to digest. As Benhabib argues, Hegel's '... model of crises integration and management does

²⁹ According to Lukacs, the German terms *Entäusserung* and *Entfremdung* are simply translations of the English word 'alienation' that was used '... in works of economic theory to betoken the sale of a commodity, and in works on natural law to refer to the loss of an aboriginal freedom. the handing over or alienation of freedom to the society which came into being as a result of a social contract' (1971b, p.538). As such, the term *Entäusserung* can be translated as both externalization and alienation.

not alleviate the consequences for citizens of their loss of freedom, but encourages the emergence of a second sphere of social relations, which are as omnipresent vis-à-vis the citizens as the laws of the market are vis-à-vis the bourgeoisie. This second sphere is the bureaucratic system of justice and administration' (1986, p.100).

If, however, we are concerned to re-moralize the system without objectifying morality, it is necessary to view the economic sphere as a form of reified normativity that can only be de-reified by forces acting from the inside. Thus, while Honneth has much to tell us about the moral motivations for workers' struggle that sit alongside the economic construction of labour, he has relatively little to tell us about the way in which workers' struggles are also responsible for subverting the economic structures that de-normatize labour in the first place. It is to this form of struggle we shall now turn by way of a redemptive critique of Marx's theory of commodity fetishism.

CHAPTER EIGHT:

SOCIAL WELFARE AND CLASS STRUGGLE

The principle of self-constitution is central to critical theory, as it is on the basis of the former that the latter seeks to condemn capitalist sociality as reificatory. We have traced the genealogy of this approach from Kant's view that the 'heteronomy' of the material world arises from the self-activity of the 'autonomous' subject. We have seen that with Fichte and Hegel self-constitution is transformed into self-objectification, and self-objectification is understood as a form of self-alienation. However, unlike Fichte and Hegel, who seek to abolish alienation by 're-internalizing' the process of self-objectification, Marx distinguishes between the *natural* form of self-objectification - arising from labour's purposive transformation of nature - which is beyond re-internalization, and the *historical* form of self-alienation - arising from labour's production of capital - which is re-internalized under socialism. Unfortunately, Marx's naturalization of self-objectification lends itself to a reified conception of sociality which Weber then makes a permanent function of 'instrumental reason'. Although Lukacs seeks to reverse this process by reformulating self-objectification as an historically contingent form of self-alienation, his reliance on a subject-centred conception of self-constitution leads to an idealist form of re-internalization.

In recent years, the notion of self-originating subjectivity, upon which this whole tradition is predicated, has been criticized following the 'linguistic turn' in philosophy. In its Foucauldian version, subjectivity often appears as the effect of a transhuman discourse which transforms the humanist notion of agency into an unnecessary and untenable fiction. In order to rescue the possibility of self-constitution from the 'death of man', Habermas seeks to reformulate praxis philosophy along intersubjective lines. By re-locating the enlightenment ethic of

self-constitution within a contemporary account of communicative action, Habermas seeks to retain the notion that participants are only obliged to obey rules they have played a part in constructing. However, Habermas stops short of applying these normative principles to the capitalist economy. Thus, rather than viewing the latter as a reified expression of the former, Habermas argues that the objective 'non-normative' form of the economy is an inevitable consequence of modern technical progress. Habermas then adopts Luhmann's systems-theoretic approach to the economy in order to dissolve the last vestiges of normativity which cling to Marx's labour theory of value. 'By radicalizing Marxian systems analysis ... the new type of objectivistic social theories avoid the narrowness and the normative ballast associated with the holistic concepts of a philosophy of history' (Habermas 1996, p.47). Having robbed Marxism of its 'critical sting', systems theory then allows Habermas to produce an '*affirmative*' account of the economy (*ibid.*) which '... wipes out all the hermeneutic tracks that point the way into society for an action theory starting from the actor's own self-understanding' (*ibid.*).

However, while endorsing Luhmann's 'objectivistic' approach to the economy, Habermas draws a line at the former's attempt to analyze law, politics and communicative action from a functionalist standpoint (Habermas 1996, p.50). On the contrary, argues Habermas, critical theory has a duty to show '... how the old promise of a self-organizing community of free and equal citizens can be re-conceived under the conditions of complex societies' (Habermas 1996, p.7). He then sets critical theory the task of bringing the 'non-normative' system back within the ambit of ethical solidarity, without undermining the uncoupling of lifeworld and system which he sees as so essential to the maintenance of modern rationality (Rasmussen 1996, p.25).

Nevertheless, this task is fraught with difficulties arising from the equivocal stance it reflects towards the system. Thus, while Habermas employs 'functional reason' to protect the system from the democratic demands of the lifeworld, he employs 'practical reason' to provide a universalistic account of the lifeworld. He then attempts to strike a balance between the two by limiting; (a) functional reason to the 'material' system; and (b) practical reason to the 'symbolic' lifeworld. However, this not only results in an unstable compromise it also, despite protestations to the contrary (Habermas 1990, pp.195-211), renders Habermas vulnerable to Hegel's critique of Kant.

Although Habermas's version of practical reason is dialogical rather than monological in form it, nevertheless, retains many of the abstract, formalistic and procedural aspects of Kant's account of morality. However, the main problem is that Habermas confines the operations of self-constitution to a restrictive form of communicative action which closes the former off from the larger social realm it is designed to morally regulate. Habermas must then explain; (a) what *motivates* economically orientated individuals to transcend their narrow self-interest in search of the general interest; and (b) how the moral rules which reflect the general interest can be made *effective* enough to regulate the economic system.

As Habermas acknowledges, the rules of language which *motivate* individuals to generate a moral consensus have an 'improbable' and 'counterfactual' character. And yet it is only insofar as economically orientated individuals adopt an 'hypothetical attitude' towards them that they can free themselves '... from the heterogeneous features of contingent interests and value orientations, particular sociocultural forms of life, and identity shaping traditions ...' (Habermas 1996, p.164) that stands between them and a truly universalistic form of 'practical

reason' (*ibid.*).¹ As David Ingram argues, 'Only a concept of practical reason that can be fully articulated independently of action, with its inevitable strategic constraints, and aesthetic intuition, with its quasi-speculative, contemplative preunderstanding of totality, suffices for him as a possible basis for critical theory' (Ingram 1987, p.74).

Having transcended not only their material interests, but also the ethical community which regulates them, individuals are then capable of participating in the argumentative redemption of normative validity claims from which moral rules emerge. However, because individuals are required to transcend their empirical selves to form these 'impartial' rules they, in turn, are 'purified of all substantive elements' (Habermas 1996, p.228). Consequently, Habermas then finds himself faced with the problem of how to render them *effective*. 'When a theory of justice takes a directly normative approach and attempts to justify the principles of a well-ordered society by operating *beyond existing institutions and traditions*, it faces the problem of how its abstract idea of justice can be brought back into contact with *reality*' (Habermas 1996, pp.197-198, my emphasis).

Much of Between Facts and Norms (1996) is taken up with Habermas's contention that the legal sphere provides the best means to convert 'communicative power' into an effective form of 'administrative power' (Habermas 1996, p.150). In this way 'Law ... functions as the "transformer" that first guarantees that the socially integrating network of communication stretched across society as a whole holds together' (Habermas 1996, p.56).

¹ According to Habermas, 'The counterfactual presuppositions assumed by participants in argumentation ... open up a perspective allowing them to go beyond local practices of justification and to transcend the provinciality of their spatiotemporal contexts that are inescapable in action and experience' (Habermas 1996, p.323).

However, insofar as the democratic ideals of 'popular sovereignty' are restricted to communicative action, the former acquires a 'desubstantialized', 'subjectless' and 'anonymous' form which, according to Habermas, can only lay 'siege' to the system from without, rather than 'conquer' it from within. If the impotence of this etiolated form of democratic practice does not appear to worry Habermas it is because he views the system as a relatively benign form of social regulation, whose suppression of normativity is more than compensated for by its encouragement of technical progress. At the end of the day this is a matter of personal judgement - nevertheless his accommodation to the capitalist system sits uneasily with his claim to be engaged in a redemptive critique of Marxism. To this extent, not everyone is convinced that the system is as benign or moral regulation as impotent as Habermas. On the contrary, Iris Marion Young argues that the weakness of the latter is a function of the strength he accords the former. To this extent Habermas shares with Kant a dirempted notion of the individual who is either material and amoral, or moral and immaterial, but never moral and material. 'Either an agent reasons only selfishly, considering only what will best promote his or her own selfish desires and goals, or he or she will reason from an impartial general point of view that has no particular desires or interests in view' (Young 1990, p.106).²

Against this dualistic standpoint, Young argues that 'a moral point' of view arises not from 'lonely, self-legislating reason' but '... from the concrete encounter with others who demand that their needs, desires, and perspectives be recognized' (*ibid.*). Young then calls for a more substantive form of 'popular sovereignty', one capable of democratizing the system from within.

² In the same way, Adam Smith sought to offset self-interested individualism with an 'impartial spectator' who embodies the moral interests of humanity (Smith 1976).

In response to such criticisms, Habermas has sought to supplement his ‘anterior’ approach to the legal regulation of the system, with an ‘interior’ one that grounds his communicative conception of ‘popular sovereignty’ in a ‘form of life that *meets it halfway*’ (*ibid.*, p.207). To this extent, Habermas acknowledges that the law’s capacity to lay ‘siege’ to the system from without, depends on citizen’s capacity to subject the system to a degree of ‘conquest’ from within. In other words, at the risk of generating a conception of democracy that falls a long way short of its actual achievement, Habermas attempts to locate ‘popular sovereignty’ in the institutional matrix of modern life. However, what is missing from this account is any sense of the conflict that exists between ‘system’ and ‘lifeworld’ over the scope of their respective terrains.

VALIDATING AND INVALIDATING THE SYSTEM

Honneth criticizes Habermas for overestimating the non-normative character of the system and underestimating the normative power of the lifeworld. Thus, according to Honneth, there is far more interpenetration of the two spheres than Habermas’s account acknowledges. In particular, Honneth seeks to highlight the fact that workers have fought back against their expulsion from the normative content of modernity, by demanding a basic degree of recognition in order to live in an autonomous and dignified fashion. Nevertheless, insofar as Honneth restricts the normative struggles of workers to non-material ends he, like Habermas, abstracts from the economy’s capacity to reify normativity. To this extent he shares with Habermas a tendency to view the non-normative content of the system as arising from its material form.

Thus, while Habermas’s halfway house formulation and Honneth’s account of struggles for recognition take us some way towards a more integrated approach to the normative content of modernity, their tendency to restrict intersubjectivity to the cultural sphere renders the system beyond the bounds of normativity.

Nevertheless, the suggestion that ‘normative’ validity claims must give way to ‘cognitive’ ones in the face of the system’s *facticity*, has traditionally been countered by critical theory’s insistence that any system which, in Habermas’s words ‘... wipes out all the hermeneutic tracks that point the way into society for an action theory starting from the actor’s own self-understanding ...’ (*op. cit.*) is *invalid*. In other words, faced with a choice between the ‘objective’ gaze of functional reason and the ‘agentive’ perspective of practical reason, critical theory has tended to privilege the latter over the former in solidarity with the ends of participants.

Habermas has sought to block this move by viewing any attempt to re-normatize the system as grounded in an ‘exhausted’ philosophy of consciousness (and an equally tired philosophy of history). To this end, Habermas argues that Marx’s critique of capitalism is grounded in a conception of self-originating subjectivity that is neither workable or plausible. However, as Benhabib (1986) demonstrates, Habermas’s own attempt to defend the system on the basis of functional reason is itself grounded in a subject-centred approach to sociality (and for that matter history), which views the system as a macro-subject whose ‘developmental logic’ objectively evolves in the rational interests of humanity as a whole. Leaving aside Habermas’s attempt to legitimate the system in terms of the (objective) ends of the species, what this demonstrates is the extent to which the system’s subject-centred character is a function of its capacity to escape from the intersubjective lifeworld.

To this extent, Habermas’s contention that all attempts to re-normatize the system are based on an attempt to view society as a subject writ-large, abstracts from the system’s capacity to engender a subject-centred standpoint. It will therefore prove impossible to overturn subject-centred thinking merely by advocating an intersubjective standpoint. On the contrary, subject-centred thinking is sustained

by the system's capacity to transform intersubjective relationships into an 'autopoietic' system, on the one hand, and a set of 'strategic actors', on the other.

The notion that there exists a dialectical relationship between the autopoietic character of the system and the atomization of strategic individuals was first formulated by Scottish enlightenment thinkers such as Adam Ferguson and Adam Smith. Smith's notion that the system regulates itself on the basis of an 'invisible hand' which both aggregates and reconciles the interests of 'self-regarding' individuals (Smith 1986), forms the centrepiece of Hegel's writings on 'civil society'. It is Hegel who first argues that 'civil society's' diremption of abstract universality and concrete particularity can be reconciled through an ethical form of concrete universality (*Sittlichkeit*) located in the state. Similar formulation can also be found in Habermas's writings, as when he argues that 'An ego-instance shorn of all normative dimensions and reduced to cognitive achievements of adaptation does indeed form a functional complement to the sub-systems that are steered by media ...' (Habermas 1992a, p.197).

To this extent Habermas recognizes the existence of a complimentary relationship between the capacity of strategic individuals to 'slip out' of the lifeworld and the capacity of the system to 'mediate' it. Thus, in a form of society in which 'The strategic actor no longer draws from an intersubjectively shared lifeworld; having himself become worldless, as it were, he stands over and against the objective world and makes decisions solely according to standards of subjective preference' (Habermas 1992a, p.197).

While Habermas relied on a Weberian notion of 'instrumental' labour to account for the 'non-normative' character of the system, the latter's diremption of intersubjectivity could be explained in terms of the instrumental character of material production. However, with the adoption of Luhmann's systems theoretic

approach labour's lack of normative content becomes a function of the system's capacity to render the lifeworld autopoietic. This transition from a *technical* account of labour to a *sociological* account of the system opens the way for a more contingent account of labour's loss of normative content, one grounded in the capacity of the system to alienate normative regulation.³

In contradistinction to the system's capacity to disrepute intersubjectivity has gone the attempt to re-generate intersubjectivity as a bulwark against the system. Thus, as Habermas notes in his early account of The Structural Transformation of the Public Sphere: 'The political task of the bourgeois public sphere was the regulation of civil society ...' (Habermas 1989b, p.52). Unfortunately, the more Habermas has come to ground his account of intersubjectivity in the transhistorical structure of language, the more he has come to abstract from the historically contingent emergence of democratic governance (Calhoun 1992, p.31). As a consequence, Habermas's not only fails to take account of the degree of institutional overlap between system and lifeworld, but also the extent to which the border between them is determined by social struggle. More specifically, Habermas's one-dimensional approach to the system obscures the extent to which the realm of production itself comprises an intersubjective lifeworld from which struggles emerge, between systematizing and democratizing forces, that assume the form of a 'class' conflict between capital and labour. In the following section we shall outline the way in which workers have sought to constitute themselves in opposition to capital, in order to subject the system to a degree of popular sovereignty from within.

³ Alienation in this context refers not to an epistemologically verifiable 'state of affairs', such as the non-correspondence between essence and appearance, but a normatively grounded critique of the system, which is dependent upon participants own sense of moral injury.

STRUGGLES FOR WELFARE

The contention that the labour movement plays a central role in re-normatizing the system not only has repercussions for Habermas's but also Marx's non-normative account of the system. In the absence of a self-objectifying subject which comprises the alienated ground of self-valorizing value, we are left to trace the way in which social participants have historically sought to render the system accountable to their ends in practice. To this extent, argue Bowles and Gintis's (1986), contradictions in the wage-labour relation arises, not from any inherent conflict between self-objectifying subjects and self-valorizing systems, but rather from an historically 'clash of rights' between the autonomy of individuals and the ownership of property.⁴ Thus, according to Bowles and Gintis, this conflict arises between workers who 'alienate' their right to autonomy in exchange for a wage, and capital which having purchased the use of labour-time sets it to work as its own private property (*ibid.*, p.37).

If we then revisit the transition from the formal to the real subordination (Marx 1976) in the light of this 'clash of rights', we find that capital's formation of labour is accompanied, as E.P. Thompson argues, by workers' formation of itself in antagonism to capital (Thompson 1968). Thus, while capital seeks to bend the 'intersubjective' relations of production to the imperatives of the system, workers seek to render them more amenable to their own social welfare. At first, workers struggle against their 'proletarianization' on the basis of pre-capitalist forms of community life, however, once proletarianized workers forge new organizations to resist their 'capitalization'.⁵

⁴ In many respects the autonomy of individuals is itself a function of private property relations, in which case the conflict is a conflict over two forms of property right.

⁵ As Marx notes, 'Capital ... takes no account of the health and the length of life of the worker, unless society forces it to do so' (Marx 1976, p.381).

The fashioning of trade unions is a widespread response by workers to their capitalization. Having been brought together by capital and interpellated into its division of labour, workers find it in their interest to sublimate their 'self-regarding' market-based interests in favour of a set of intersubjectively constituted ones. Thus, whereas Habermas views social solidarity as primarily a linguistic affair, grounded in a common interest in mutual understanding, the formation of trade unions emerges from a shared set of 'material' interests forged in production.

Central to the concerns of trade unions is the commodity status of labour. It is this which divides workers from one another, makes them dependent on the market and causes them to alienate their labour-time to capital. To this extent, workers seek to simultaneously enhance their value and subvert their commodity status. 'As commodities, workers are replaceable, easily redundant, and atomized. De-commodification is therefore a process with multiple roots ... It is ... a precondition for a tolerable level of individual welfare and security. Finally, without de-commodification, workers are incapable of collective action; it is accordingly, the alpha and omega of the unity and solidarity required for labor-movement development' (Esping-Andersen 1990, p.37). Thus, one of the primary tasks of the labour movement is to establish itself as a social force within the production process, and this depends on its capacity to de-commodify, de-marketize and de-capitalize labour. To this extent, workers build on capital's own partial suspension of the dialectic of objective system and subjective agency, in order to generate an intersubjectively constituted site of 'popular sovereignty' at the heart of the production process.

However, while trade unions are formed to concentrate on immediate concerns at the point of production, they find they have little influence over the economic environment in which labour is bought and sold. Consequently, they have generally sought (not always successfully) to expand beyond the limits of

production, in order to bring about a more comprehensive 'de-commodification' of labour. It is at this point that the labour movement seeks to *directly* influence and expand the scope of what Habermas refers to as the 'bourgeois public sphere'.

The combination of a widened franchise and the struggles of New Unionism, at the end of the Nineteenth Century, precipitated the formation in Britain of a Labour Party, concerned to enhance welfare of the working class by 'socializing' market-capitalism. Thus, while the emergent socialist movement shared concerns with both the atavistic principles of 'conservative paternalism' and the economic interests of 'liberal reformism', it supplied the main impetus for 'socializing' the market (Esping-Andersen 1990). In particular, the trade unions looked to the Labour Party to attenuate the commodification of labour, the marketization of sociality and the capitalization of production, in order to mitigate the private right of capital to treat labour as a commodity, a thing, a possession, to be bought and sold, owned and controlled, used and discarded like any other irrespective of its effect on the welfare of workers (*ibid.*).

Habermas's own account of this process is extremely ambivalent. In The Structural Transformation of the Public Sphere, Habermas argues that the emergence of the welfare state is coterminous with the 'degeneration' of rational discourse (Habermas 1989b, pp.232-235).⁶ Thus, rather than viewing the emergence of the welfare state as an attempt to strengthen the intersubjective spheres capacity to regulate the system, Habermas associates it with capacity of the system to 'mediatize' the lifeworld. Although Habermas now claims to have changed his mind about the relative importance of the 'plebeian public sphere'

⁶ Calhoun criticizes Habermas for neglecting the importance of working class struggle on the grounds that '... throughout its existence the bourgeois public sphere was permeated by demands from below. These took the form not only of calls for broader inclusivity but also more basic challenges and the pushing of new issues forward on the agenda' (Calhoun 1992, p.32).

(Habermas 1992b, pp.426-7), his association of welfare reforms with the 'bureaucratization' of the lifeworld has, if anything, grown stronger (*ibid.*, p.436). Consequently, Habermas calls on critical theory to abandon a substantive form of 'utopia' based on a labouring society in favour of a formal one based on communicative action (Habermas 1989a, p.64). This call stems in part from Habermas's refusal to acknowledge that the capitalization of production results in a form of 'damaged intersubjectivity'. On the contrary, Habermas has consistently argued that not only can labour be subordinated to capital without 'pain', 'damage' or 'pathological consequences' (Habermas 1987a, p.375), but also failure to do so threatens the rationality of the system.

This lack of concern for the ends of workers in comparison to the imperatives of the system is manifest in Habermas's view that capital's adoption of 'scientific management' techniques goes hand in hand with the system's 'mediatization' of the lifeworld. Thus, adopting the standpoint of the system, Habermas argues that 'Taylorist' and 'Fordist' forms of organization bring about a more 'rational' form of social labour (Habermas 1987a). In this way, Habermas not only employs 'functionalist reason' to validate management practices, but also to invalidate workers' attempts to exercise 'practical reason'. To this extent, Habermas offers us an account of critical theory that has strayed a long way from its origins in the standpoint of labour against capital. One that views capital's failure to suppress labour as a victory for atavistic sentiments over the developmental logic of the system. Nevertheless, workers refused to succumb to the latter but sought to build new forms of union organization through which to pursue their claims to welfare.

On the material foundations reorganized a decade earlier by Frederick Taylor and Henry Ford ... arose a wholly new structure of working class power: that of the factory mass workers to impose collective bargaining and a new kind of unionism at the industrial level coupled with the social power to impose full employment,

rising wages, social security, unemployment compensation and other pillars of a new 'welfare' state. (Cleaver 1995, p.149)⁷

Thus, while Taylorism and Fordism were responsible for undermining craftwork-based forms of normative-resistance, this was replaced by new forms of collective resistance which during the deep recession of the 1930s, underscored the large scale industrial actions which fostered Roosevelt's New Deal in the USA.⁸ 'Under immense social pressure and against often strong resistance from important sections of capital, a new relationship between capital and labour was forged in the United States in the 1930s, focused on the recognition and attempted integration of the power of labour' (Holloway 1995, p.19).⁹

Thus, rather than scientific management serving to 'ethically-neutralize' labour it precipitated new forms of working class opposition, which in the context of the 1930s Depression, came to imbed the economic system within a set of moral obligations to the welfare of workers. This resulted in the partial suspension of the market-based form of money-value in favour of an institutionally-based form of social value that served to 're-normatize' value-relations. However, according to Simon Clarke, the influence of class struggle on economic theory dates back to the rise of neo-classical economics.

⁷ Holloway argues that 'The new industrial unionism grew out of the new relations at work. The spread of Fordism meant the spread of a new type of mass, unskilled workers working in large factories' (Holloway 1995, p.19).

⁸ According to the French Regulation School, the higher levels of productivity which followed from Fordism introduced a new tension into the production process between, on the one hand, the higher (pecuniary and social) wages needed to compensate workers for their soulless activities, and on the other, workers' organized resistance to the monotony of labour (Aglietta 1979).

⁹ 'New Deal politics would have been impossible without an enfranchised, mobilized working class which, though it never seized state power on the Marxist model, did use the state to alter the pattern of social relations across several of the spheres of justice' (Walzer 1995, p.286).

THE RE-NORMATIZATION OF VALUE

According to Clarke (1982), the wholesale reformulation of economic theory that took place in the late nineteenth century was in response to the challenge of the labour movement. 'The more general context of the marginalist revolution was a concern with understanding the possibilities and limits of State intervention in the regulation of economic relations, including in particular the resolution of the labour question. The general background of the concern was the increasing role of the state in economic and social life' (Clarke 1982, p.149).

In particular marginalism, or more generically, neo-classical economics, sought to set limits to social reform by demonstrating the beneficial and advantageous effects of free competition (*ibid.*, p.150). Its starting point was Pareto's contention that '... in the absence of any distortions a freely competitive equilibrium would ensure allocative efficiency' (Begg *et al.* 1984, p.322). On the basis of this maxim, it is then argued that state intervention is only justified in the event of 'market failures' such as 'public goods', 'externalities', 'imperfect competition' etc.

At first sight there would appear to be a great deal of overlap between Habermas's use of functionalism to justify capitalism's powers of co-ordination and efficacy, and the neo-classical view that market-forces can ensure the most *rational* allocation of economic resources. However, whereas Habermas, following Luhmann, tends to ground the rationality of capitalism in an objective standpoint (Habermas 1996, p.47), neo-classical economics is concerned to ground the rationality of the market in the fact that it offers '... the most perfect expression of the preferences of the members of the society'¹⁰ (Clarke 1982,

¹⁰ In Habermas's later writings there is a suggestion that the system's generation of strategic action has moral consequences insofar as it enhances the 'negative freedom' of individuals to act in an autonomous fashion. However, this is undeveloped due to Habermas's tendency to follow Luhmann's attempt to 'wipe out' an action theory starting point with regard to the economy (Habermas 1996, p.47).

p.164). Thus, unlike the former, the latter's defence of capitalism is normatively predicated on the subjective preferences of individuals.

Unfortunately, Clarke's commitment to orthodox Marxism prevents him from pursuing an immanent critique of neo-classical economics, based on the alienated normativity of 'market-value'. Thus, despite claiming that neo-classical economics is a response to calls '... for the moral and political regulation of capitalist social relations to moderate the conflicts that arose out of the unfettered pursuit of economic interest ...' (*ibid.*, p.138); Clarke argues that it completes the 'naturalization' of capitalist social relations began by political economy (*ibid.*, p.186). This, however, misses the significance not only of neo-classical economics' attempt to locate the welfare of participants at the centre of its legitimating strategy, but also the capacity of 'welfare economics' to subject the market to *normative* criteria (Begg *et al.* 1984, p.312). A standpoint which, according to Pareto, is synonymous with the standpoint of 'sociology' (cited in Parsons 1968).

Although welfare economics in its original Pareto optimal form privileges efficiency over other normative criteria, such as equity and autonomy, while only allowing you to make someone better off if it does not make someone else worse off, this has certain advantages over both; (a) Marx's refusal to engage in an openly normative critique of capitalism; and (b) Habermas's attempt to grant efficiency criteria a non-normative status. Thus, even if we restrict ourselves to efficiency criteria, there remains sufficient disagreement between 'market optimists' and 'market-pessimists' to expand the notion of 'market failure' in a radical direction. If we then include questions of equity and autonomy, the scope for identifying 'market failure' increases enormously in line with the justification for social intervention.

Once economics is placed on a normative foundation there is no reason to be bound by the original criteria of Pareto optimality. On the contrary, notions such as the marginal productivity of labour are as 'metaphysical' as Marx's labour theory of value, insofar as there exists no independent 'empirical' means to assess its validity (Berch 1977). In which case, the assertion that each factor of production receives its 'just reward' for what it contributes to the system, is as unverifiable as Marx's notion that labour is robbed of its 'just reward' by the system. Both are guilty of attempting to deduce a normative content from a non-normative system in order to provide an 'objective' justification for the standpoint in question. However, the system's only 'moral' concern is its own self-preservation. Consequently, any attempt to draw moral principles from the system's reification of intersubjectivity only creates a reified form of 'objective' morality. Thus, on the grounds that normativity is solely a property of other-regarding subjects, it is only possible to submit the market to normative evaluation from an intersubjective perspective.

However, while the market may comprise a self-regulating entity it is not necessarily a self-equilibrating one. This was dramatically demonstrated by the long and deep depression of the 1930s, in response to which John Maynard Keynes argued that 'market failures' were so extensive and intractable that the 'comprehensive socialisation of investment' may be required to restore full employment (Keynes 1936, p.378). In many respects Keynes was only applying the lessons of the Nazi Government in Germany and the New Deal in America to Britain. But it was not until the Second World War that 'Keynesian economics' was accepted in Britain.

Afterwards, the memory of the 1930s depression, coupled with the success of state intervention in creating full-employment, generated a widespread consensus for the adoption of Keynesian policies. These sought to intervene in the economy

in order to steer it towards a set of macro-economic objectives of which full-employment was a priority. The depth and duration of the post-war 'boom' which then followed only seemed to prove Keynes right and therefore rule out any return to free-market policies. At the heart of this consensus lay a unique and (with hindsight) fragile confluence between the interests of the business community in long-term economic stability, and the interests of trade union's in the de-commodification of labour. The resulting social democratic compromise then sought to equate the welfare of labour with the welfare of the economic system in general.

From this temporary consensus emerged a new conception of 'social citizenship', one that T.H. Marshall was mainly responsible for explicating. As we have seen, Marshall argues that citizenship passes through three stages of development. The first brings the 'civil rights' of liberal individualism, the second the 'political rights' of democratic participation, and the third '... the right to share to the full in the social heritage and to live the life of a civilized being according to the standards prevailing in the society' (Marshall 1973, p.72). Like Esping-Andersen, Marshall explicitly grounds this new form of social citizenship in the rise of 'collective bargaining' and hence the capacity of trade unions and their political representatives to sublate a market-based approach to 'value' (*ibid.*, p.96).¹¹ 'Social rights in their modern form imply an invasion of contract by status, the subordination of market price to social justice, the replacement of the free bargain by the declaration of rights' (*ibid.*, p.111).

To this extent, trade unions not only help create a new form of 'industrial citizenship' (*ibid.*), but also a new form of social 'status' that subordinates the 'market-values' of the economic system to the 'social values' of democratic

¹¹ Hence the importance to Marshall of the labour movement's capacity to civilize: 'The anti-social elements in the capitalist market system ...' (*ibid.*, p.135).

participants. Marshall makes this explicit in his concept of 'welfare value' insofar as it is '... estimated, not objectively as a commodity in the market nor subjectively as a [thing] in use, but as a thing *for* use, which can be classified and valued in relation to others of its kind' (*ibid.*, p.116). The key to this new form of 'value' is, according to Marshall, the historically emergent institutions of the welfare state insofar as they bring about a democratic allocation of 'economic' resources (*ibid.*, p.107).¹² As such, 'welfare value' helps render the 'private' realm of capitalist 'property rights' accountable to the 'public' world of 'citizenship rights'.

Marshall's writings on value arise out of his attempt to rethink value-relations in the context of state intervention. In the process, he arrives at a position similar to Simmel in which market-value is viewed as emerging from a dialectical relation between the objective value of the system and subjective utility of consumers. Thus, rather than attempting to view market-value as an alienated expression of self-objectifying subjectivity, Marshall argues that it comprises a combination of objective and subjective factors which are then reconciled in the democratic form of 'welfare value'.

Nevertheless, Barry Hindess (1993) argues that Marshall provides an overly benign picture of the welfare state that ignores the degree to which the notion of 'social citizenship' serves to legitimate the system, whether this is understood in Marxist terms as masking the domination of capital over labour, or in Weberian terms as masking the bureaucratic domination of modernity (*ibid.*). Hence the importance of Habermas's contention that the welfare state serves to both 'pacify' the working class and 'bureaucratize' modernity.

¹² Although it is true that Marshall continues to describe welfare decisions as 'essentially altruistic' thereby abstracting from the very real 'material' interests they serve.

REDISTRIBUTION VERSUS SELF-CONSTITUTION

According to Habermas, the welfare state is a 'dilemmatic' structure which both secures freedom and takes it away (Habermas 1987a, p.361). Habermas theorizes this 'ambivalence' in terms of the process of 'juridification' (*Verrechtlichung*) which while it cushions citizens from the vagaries of market-forces also turns them into 'clients of welfare-state bureaucracies' (*ibid.*). To this extent, the welfare state takes the form of a switching station on the border between the system and lifeworld. As the regulator of private capital's use of labour, the welfare state functions to strengthen the lifeworld's capacity to 'tame' the system. However, the more the welfare state spreads '... a net of client relationships over private spheres of life, the stronger are the anticipated pathological side-effects of a juridification that entails both a bureaucratization and a monetarization of core areas of the lifeworld' (*ibid.*, p.364). Thus, while acknowledging the role played by the welfare state in reducing the dependency of workers on the private sphere of capital, the tasks Habermas sets critical theory in the concluding chapter of The Theory of Communicative Action Vol. II, are concerned with resisting the bureaucratization of personal life.

More recently, Habermas has sought to codify his approach by arguing that state intervention is legitimate if it satisfies the '... material preconditions for an equal opportunity to exercise individual liberties ...' (Habermas 1996, p.416), and illegitimate if it suppresses the 'private autonomy' of individuals within civil society.¹³ Thus, unlike Marshall, who sees the welfare state as facilitating a collective form of self-constitution dedicated to democratizing the economic system, Habermas views the 'welfare paradigm of law' as primarily concerned with the 'just distribution of socially produced life opportunities' (*ibid.*, p.417).¹⁴

¹³ These take the form of '... statutory regulations on work and family life' which serve to '... force employees or family members to conform their behaviour to a "normal" work relation or a standard pattern of socialization ...' (*ibid.*, p.416).

¹⁴ According to Habermas, the impact of the welfare state on 'public autonomy' is mediated by and limited to its effects on 'personal autonomy', on the grounds that the exercise of communicative

Habermas then draws on the work of Iris Marion Young to contrast the welfare state's concern with 'distributional justice' to the neglect of its concern for 'procedural justice'.

According to Young, the over-concentration on distributive conceptions of justice has served to '... block the political imagination from envisioning more emancipatory institutions and practices' (Young 1990, p.75). Unfortunately Young, like Habermas, takes a reified approach to the economy which serves to block the political imagination by failing to acknowledge the sociality of money. Thus according to Young 'Theorizing about justice should explicitly limit the concept of distribution to material goods like things, natural resources or money' (*ibid.*, p.33). This, however, is not an uncommon view. As Winfield notes '... the premise that economic relations are normative social structures to which citizens must attend if they are to live in justice has not found general acceptance in modern theory. On the contrary, a great many modern thinkers have rejected the idea that economic relations are social in character and denied that they have any normative content at all' (Winfield 1991, p.228). Nevertheless, it is this view which Marx's theory of value seeks to retain, albeit on a subject-centred foundation, and which we have sought to intersubjectively redeem.

Nevertheless, Young's work does not conform to Habermas's description of it as '... a *feminist theory of law* that rejects the welfare paradigm' (Habermas 1996, p.419). On the contrary, while claims that the welfare state '... *depoliticizes* public life by restricting discussions to distributive issues' (Young 1990, p.98, my emphasis), she also claims that the welfare state has '... helped create the possibility of a *more politicized* approach to meeting needs' (*ibid.*, pp.86-87, my emphasis). In other words, while Young endorses Habermas's view that the

action '... depends on the spontaneous inputs from a lifeworld whose core private domains are intact' (Habermas 1996, p.417).

welfare state merely promotes a *distributive* conception of justice, she also argues that it *politicizes* economic decision making insofar as it seeks to obtain ‘... the morally proper distribution of social benefits and burdens among society’s members’ not only in terms of ‘wealth, income and other material resources’ but also in terms of ‘non-material goods such as rights, opportunity, power, and self-respect’ (Young 1990, p.16).

Thus, unlike Habermas who attempts to limit the notion of ‘popular sovereignty’ to the field of communicative action, Young seeks to extend it into the economic realm on the grounds that ‘Economic equalization and democratization ... foster one another and should occur together to promote social justice’ (Young 1990, p.94).¹⁵ Young is therefore opposed to Habermas’s attempt to restrict ‘public autonomy’ to communicative action, as she believes that ‘social justice requires democracy in the workplace ...’ (*ibid.*, 222). In other words, if Habermas is more concerned with the ‘juridifying’ effects of the state on ‘private autonomy’, Young is more concerned with the undemocratic effects of the economic system on ‘public autonomy’. Hence Young’s distinctly un-Habermasian conclusion that ‘... democratic workplaces and democratic governments are mutually enforcing’ (*ibid.*, p.223).

This, however, suggests a further sense in which the welfare state is ‘dilemmatic’. Thus, on the one hand, the welfare state’s ‘politicization’ of the economy serves to integrate workers into the system while, on the other hand, it serves to generate new social spaces in which oppositional movements can grow. This is similar to how Benhabib interprets Habermas’s earlier (and in many ways more radical) theory of legitimation crisis.

¹⁵ Habermas specifically argues that democratic movements ‘... must give up holistic aspirations to a self-organizing society ...’ (Habermas 1996, p.372).

The dilemma is that in order to compensate for the steering problems that arise from the continuing capitalist control of the economy, the state has to assume an increasingly active role. Yet this active role of the state can lead to an increased demand for legitimation, thereby augmenting the pressure on the state and its agencies to justify publicly the reasons and rational behind their actions; these processes, in turn, may result in demystifying capital. (Benhabib 1986, p.235)

In other words, by ‘politicizing’ monetary steering mechanisms in pursuit of economic stability, the state serves to ‘de-naturalize’ the market and thereby open it up to oppositional social demands. However, with the growth of the welfare state, this ‘dilemma’ cannot be confined to questions of legitimation but threatens to become a crisis of social regulation.

NORMATIZATION VERSUS DE-NORMATIZATION

The more the state intervened to fulfil its obligations to maintain full employment, enhance social citizenship and increase higher education, the more it helped create the preconditions for trade union militancy, New Social Movements and student radicalism (Scott 1992).¹⁶ By undermining atomized individuals reliance on the disciplinary matrix of market forces, the welfare state helps facilitate dissenting social practices.

It is arguable that it was this relationship that lay behind the New Right’s critique of the welfare state. In other words, one of the reasons the New Right attacked the re-distributive aspects of the welfare state was the realization that it encouraged the existence of an intersubjective realm beyond the regulatory reach of the market’s hidden hand. Thus, according to Milton Friedman (1962), all collective forms of self-constitution are ‘juridifying’ insofar as they impinge upon

¹⁶ Thus, while New Social Movements represent an alternative to traditional forms of working class politics, the institutional gains of the latter served to provide the institutional basis for the development of the former.

the sovereignty of strategic actors. The New Right then sought to portray the welfare state and the trade union movement as enemies of personal freedom, in order to unravel the intersubjective matrix which had been spun around the market in the wake of World War II. At the heart of this strategy lay the promise to reduce income tax. Thus, under the guise of increasing consumer sovereignty (Saunders 1993), the New Right sought to translate public into private forms of provision often - as in the case of pensions - at greater cost to the individual. This had the effect of undermining the support networks upon which 'citizens', 'clients', 'students', 'patients' and 'passengers' relied in favour of allocating goods and services through the market to 'customers'.

The context for this political shift was the re-emergence of economic instability and union militancy in the 1970s. This led influential sections of the business class to turn away from state interventionist towards neo-liberal policies designed to re-monetarize the market, re-commodify labour and re-capitalize production.¹⁷ The strategy pursued was one of subsuming labour beneath capital and the state beneath the market in order to disperse popular sovereignty 'up' into the self-regulating system and 'down' into self-regarding individuals. It was most ruthlessly pursued in the advanced capitalist economies of the English speaking world such as America, Britain, Australia, New Zealand and Canada during the 1980s (Hutton 1996).¹⁸ In each case, the government sought to turn on its head the Keynesian justification for state intervention by arguing that 'state failure' justified the 'marketization' of the economy. Consequently, as unemployment swept towards three million in Britain, the combination of free-market policies, anti-trade union laws and union defeats (most notably the miners in 1985),

¹⁷ Although as Andrew Gamble (1994) reminds us, marketizing sociality in this fashion requires a strong state apparatus capable of suppressing dissent and the social problems engendered by this strategy.

¹⁸ In Germany, influential sections of the business community are only now coming to favour an American free-market model and the benefits of 'share-holder value' over the social-wage (*Wirtschafts Woche* No. 20).

undermined the capacity of the labour movement to defend its members and the welfare entitlements it had participated in creating.

Under the rubric of 'monetarism', the Thatcher government openly sought to restore the capacity of money to steer the economy in a 'non-normative' fashion so as to 'de-politicize' decision making and release the state from its moral obligations. To this extent, almost every policy of the Conservative Government between 1979 and 1997 from Privatization to the Poll Tax was concerned to increase the independence of the market system from state regulation and decrease the dependence of its strategically orientated agents upon state support. The result has been a weakening of the public sector and a strengthening of the degree to which the system and its strategic actors 'jut out' of the lifeworld. In the process, labour has become more 'flexible'; more amenable to its purchasers who's freedom to treat labour as a 'thing' to be hired and fired at will has been restored.

In short, Thatcherism sought to bring about the independence of the system from democratic regulation by defending the independence of strategic actors from bureaucratic regulation. As capital gained greater hegemony over its workforce, so it became more dependent on the competitive pressures of the market. It then sought to translate the insecurities of the market down to its ('flexible') workforce via such innovations as 'zero-hour contracts' (Hutton 1996). However, the more the system and its strategic actors have acquired independence from the social state, the more the solidaristic elements of both the public and private lifeworld have weakened. If society appears less 'moral' than before this experiment in social policy, it is because neither system nor its strategic actors are as trammelled as before by collective forms of social obligation.

As a consequence of the long Conservative governance of Britain, the naive optimism of the 1960s has given way to the cynical pessimism of the 1990s, as people seek to find solace in personal hedonism from the globalizing forces beyond their control. On the left, collective utopias have been displaced by market dystopias, 'grand narratives' have been abandoned in favour of local ones, and economic discourses have been replaced by cultural ones. Nevertheless, the capacity of atomized individuals to forge intersubjective alliances in opposition to the system's 'de-normatization' of social justice remains viable. In which case it is incumbent on critical theory to keep open this possibility by refusing to treat the facticity of the system as an expression of its validity.

CONCLUDING REMARKS

In response to these developments we have sought to rethink critical theory along normative lines in opposition to both; (a) Marx's reliance on an essentialist conception of self-objectifying labour as the 'substance' of value; and (b) Habermas's reliance of an equally essentialist conception of communicative action as the last bastion of popular sovereignty. We have then argued that 'market value' is neither an objective expression of purposive labour, nor a non-normative expression of functional reason, but a form of alienated intersubjectivity whose 'technicization of the lifeworld' is predicated on the 'capitalization' of labour. We have then sought to (theoretically) extend Habermas's conception of intersubjectivity to include labour, in keeping with the (practical) struggles of workers to 're-normatize' the economic system. Thus, rather than contrasting economic and moral struggles to one another, we have argued that the struggles of workers to increase their share of value is accompanied by attempts to de-commodify labour and thereby 're-normatize' the reified world of money.

Consequently, while we have nothing but praise for Habermas's attempt to overcome the subject-centred failings of Marxism and place critical theory on a normative base, his etiolated conception of normativity abstracts from the efforts of democratic forces to bring about the 're-moralization' of the material system and 'materialization' of the moral system 'from the bottom up'. Indeed, by dirempting system and lifeworld in this fashion, Habermas reduces critical theory to a pale shadow of its former self that is not only insouciant to the 'damage' done to workers by withdrawing normative content from them, but also to the dangers faced by an increasingly unstable economic system.

By viewing the 'de-normatization' of labour as a 'rational' consequence of modernity, Habermas obscures the extent to which the 'uncoupling' of the system

from normative regulation is a matter of social struggle that finds him on the side of capital against labour. There is consequently little sense in Habermas's work of the way worker's organizations struggle against the economy's capacity to disrepute intersubjectivity in order to establish zones of 'popular sovereignty' within the system. To this extent, Habermas's limited conception of intersubjectivity ontologically denies to labour what workers have sought to win through struggle against the system: namely a measure of control over the objective forces that regulate their working lives.

In contrast to Habermas, we have sought to view value-relations as an alienated form of intersubjectivity capable of providing Habermas's account of normativity with greater substance and Marx's account of commodity fetishism a normative content. Rather than accepting the objectivity of the system is either an inevitable consequence of functional reason, or a naturalistic consequence self-objectifying labour, we have sought to view it as an historical consequence of the capitalist system's capacity to regulate itself. It then follows that the more powerful intersubjective institutions become, the less the system can escape the normative claims of participants. In other words as normatively-regulated operations, run for the intersubjectively assessed benefit of participants strengthen, then market-regulated ones, run for the objective benefit of the system and the subjective benefit of strategic actors, weaken.

Like Habermas we share the conviction that neither the system nor its strategically motivated actors can fully escape the demands of normativity, all they can seek to do is prevent the development of intersubjective forces concerned to democratically affirm the welfare of participants above the pursuit of their own self-preservation. This, however, is contingent upon the system's pursuit of profit being able to fulfil consumer's demand for utility. In other words, on the system being able to 'deliver the goods'. However, this becomes

less assured the more the system struggles free of the stabilizing structures erected after World War II to avoid a repeat of financial meltdown. As such, capitalism remains a dilemmatic structure caught between; (a) lessening its reliance on intersubjective forms of normative regulation at the risk of increased instability; and (b) increasing its reliance on the former at the risk of encouraging democratic forces to grow up in their interstices.

The future of critical theory remains uncertain. In the wake of the collapse of the Soviet Union, writers such as Nancy Fraser (1997) argue we are now in a “‘postsocialist’ condition’ (sic). In part this is a consequence of the ‘realism’ of a normatively grounded standpoint which, in the absence of traditional Marxist guarantees, now openly acknowledges that the viability of critical social theory is contingent upon the viability of oppositional social forces. We have therefore sought to ensure that our own normative reformulation of Marxism remains in step with the social context in which it is written. At the same time, we have endeavoured to generate a comprehensive account of modernity’s ethical content, capable of accounting for the system’s facticity in terms of its reification of morality. If it seems impossible to imagine a time when we might redeem the normative promise of self-constitution, immured in the economic forces of self-regulation, we hope this in no way prevents our account from illuminating the form of contemporary social structures or the role played by social agents in reproducing them.

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